

The Board of Directors of the Diocese of Olympia, Inc. (the “Diocese”) has legal and fiduciary responsibility for the assets of the diocese, including land, buildings, endowments and other funds. It is the mission of the Board to manage these assets to further God’s work in this diocese, both now and in the future. The Board is comprised of members noted below and convenes monthly as needed.

Members of the 2021–2022 Board of Directors: **The Rt. Rev. Gregory Rickel**, president; **Ms. Judith Andrews**, chancellor, Saint Mark’s Cathedral, Seattle, ex-officio; **Mr. Jim Beckwith**, treasurer, St. Paul’s, Bellingham; **Mr. Joe Jennings**, Church of the Ascension, Seattle; **Mr. Marc Malone**, vice president and chair, St. Stephen’s, Seattle; **Mr. Jeff Maxwell**, St. Aidan’s, Camano Island; **Mr. Ron Miller**, Church of the Good Shepard, Vancouver; **Mr. Dan Renfro**, St. Benedict’s, Lacey; **the Rev. Katherine Sedwick**, St. Michael & All Angels, Issaquah; **Ms. Vicki Setzer**, All Saints, Vancouver; **the Rev Canon Dr. Marda Steedman Sanborn**, secretary, Saint Marks’ Cathedral, Seattle; **the Rev. Jonathan Weldon**, retired. Staff members working regularly with the Board of Directors: **The Rev Canon Arienne Davison**, canon to the ordinary; **Mr. Bryan Krislock**, vice chancellor; **Canon Dede Moore**, canon for diocesan networking & connections; **Mr. Charles Thorne**, canon for finance; **the Rev. Dennis Tierney**, diocesan property manager.

Over the past year the Board has continued to be assisted by a steering committee working between meetings to maximize the Board’s effectiveness through advance planning and preparation of agenda items. The Board had task groups this year to work on the following: Membership Recruitment & Onboarding, Policies Review, Values Based Investing, Building & Loan Fund (BLF)/underperforming and non-performing loans, Congregation Guide to Financial Transactions. Two of the largest funds managed by the Board are the Mission Development Fund (MDF), for purchasing land, and the Building Loan Fund (BLF), for construction. The current status is:

Mission Development Fund (MDF)			Building Loan Fund (BLF)		
As of Aug. 31			As of Aug. 31		
	<b>2022</b>	<b>2021</b>		<b>2022</b>	<b>2021</b>
Available Funds	\$ 266,394	\$ 397,238	Available Funds	\$ 2,770,070	\$ 2,348,995
Notes Receivable	\$ 0	\$ 0	Notes Receivable	\$ 2,904,527	\$ 3,744,540
Net Assets	\$ 266,394	\$ 397,238	Interest Receivable	\$ 1,090	\$ 83,250
			Sedro Woolley Rec.	\$ 4,513	\$ 2,403
			Net Assets	\$ 5,680,200	\$ 6,179,188

**2023 BLF (Building Loan Fund) & MDF (Mission Development Fund) loan rates:**

BLF fixed rate of interest	6.75%	New loans established in 2023; loan terms up to 5 years
BLF variable rate of interest	4.125%	Loans initiated prior to January 1, 2022
MDF rate of interest	4.125%	

**Specific Board actions on behalf of congregations (and former congregation properties) November 2021–September 2022:**

- *Allyn, St. Hugh of Lincoln*: Authorized grant for roof repairs (Board Works funds).
- *Auburn, St. Matthew’s/San Mateo*: Declared a loan an under-performing loan and communicated proposed resolution to the congregation (noting loan is not eligible to be written off as it was established with funds from the BLF); wrote off 2003-2014 accrued interest.
- *Bellevue, All Saints*: Approved request to withdraw funds from its endowment in the DIF for lease payments.
- *Camano Island, St. Aidan’s*: Approved withdrawal from unrestricted endowment to replace a failed furnace.

- *Cathlamet, St. James:* Declared a loan (from the last diocesan capital campaign and other sources unrelated to the BLF) a non-performing loan; wrote off loan; approved withdrawal of funds from the congregations DIF endowment for the purpose of completing repairs noted in the 2019 building inspection report; authorized expenditure of Board Works funds for exterior painting and roof replacement of the sanctuary building.
- *Cloverdale (Rainier Beach) Property:* Approved expenditure from the cash management account, along with funds from sale of Whatcom county property, and Board Works funds, to complete repairs throughout the year: renovated former resident sexton's apartment (lower level former parish hall); improved the driveway and parking area next to the lower level of the parish hall to make it ADA accessible; constructed a new safety fence to protect people from falling into the driveway; constructed a new sidewalk from the driveway stairs to the front door of the parish hall; completed emergency repairs related to a sewer lift pump failure
- *Edmonds, St. Hilda-St. Patrick:* Declared the loan as an under-performing loan communicated proposed resolution to the congregation (noting loan is not eligible to be written off as it was established with funds from the BLF).
- *Gig Harbor, St. John's:* Approved loan increase.
- *Kent, St. Columba's:* Declared a loan as an under-performing loan and communicated proposed resolution to the congregation (noting that the loan is not eligible to be written off as it was established with funds from the BLF); denied request to provide congregation with proceeds received from developer of residences to the south of St. Columba's grounds awaiting congregation plan to reduce the BLF loan balance.
- *Lake City property:* Authorize payment to the property developer as its share of the purchase of adjacent property.
- *Lopez Island, Grace Church:* approved grant of easements for ingress, egress, and utilities on the property; authorized diocesan treasurer to sign construction contract.
- *Monroe property:* Authorized commercial appraisal. Renewed lease to the current tenant for one more year only, until June 2023. Obtained official permission from the Standing Committee and Bishop to sell the property.
- *Olympia, St. John's:* Authorized use of Board Works funds for a consultant to assist in evaluating options for property redevelopment.
- *Seattle (Ballard), St. Luke's:* Approved multiple agreements and documents related to the development of the affordable family housing project and the residential building that will hold the new worship and community space for the St. Luke's congregation: ground lease with Bridge Housing Corporation; accepted proposal to increase cost of the of shell, core and parking with Security Properties; approved for a loan from the Grace Philips estate fund to cover gaps in cash flow related to the development of the church property; approved lease agreement with Security Properties; approved extension of Olson Kundig Letter of Agreement.

**Additional actions November 2021 – September 2022:**

- *5G towers:* Agreed to permit 5G, LLC to contact congregations in the Diocese of Olympia about possible congregational interest in permitting 5G antennas to be emplaced on church property; congregations are free to opt-in or opt-out as they choose; mission congregations must obtain Board of Directors approval and have contracts signed by the Treasurer of the Diocese. No fees will accrue to the Diocese itself.
- *Administrative:* Updated corporate officers: the Rt. Rev. Gregory R. Rickel, president; Marc Malone, vice president; the Rev. Marda Steedman Sanborn, secretary; James Beckwith, treasurer; Canon Dede Moore, assistant treasurer.
- *Annual Reports:* Heard annual reports from the DIF Committee, St. Andrew's House Advisory Board, and Huston Camp and Conference Center.
- *Audit:* Accepted proposal by Clark Number to audit the finances of the Diocese for the year 2021.

- *Building Loan Fund (BLF)*: Declared an immediate moratorium on future loans from the BLF over \$500,000. Agreed to make loans from BLF until the uncommitted balance of the fund is less than \$500,000. Moved remaining proceeds from the sale of the Mill Creek Property to the BLF by way of paying down non-performing loans of St Columba's, Kent; St. Matthew-San Mateo, Auburn; and, St Hilda-St Patrick, Edmonds; corresponding to a fixed percentage (65%) of the remaining debt; amended the loan documents to require annual reviews, a payment schedule to retire the outstanding debt (preferably 5% of their annual budget or a similar schedule that they can afford), preferably a term limit of no more than 10 or 15 years, and additional significant measures to retire the debt, such as a capital campaign or sale of unused property. Set the 2023 BLF fixed rate of interest at 6.75% for both parishes and missions on new loans established during 2023, with loan terms of up to 5 years. Set the 2023 interest rate for loans from the BLF initiated prior to January 1, 2022, for both parishes and missions at 4.125%.
- *Diocesan Investment Fund (DIF) Committee*: Appoint Dan Renfroe chair of the DIF Committee. Updated signers for DIF bank accounts; those with authority to select investments; appoint investment managers; and direct withdrawals.
- *Endowments/Bequests*: Created the Deacon Jean Carmichael Endowment Fund and approved nonjudicial dispute resolution and agreement; created the Henry S. & Helen Rogers Endowment Fund; created the James B. Campbell, Jr. Endowment Fund.
- *Financial*: Updated bank signature cards as required throughout the year. Updated credit card primary card holder with bank. Authorized use of capital gains for the 2023 operating budget. Authorized new signers on DA Davidson accounts.
- *Mission Development Fund (MDF)*: Set the 2023 MDF Loan Rate at 4.125%.
- *Chaplains on the Harbor*: Authorized funds from the MDF for purchase and site preparation of a storage building for Harbor Roots Farm.
- *Huston Camp & Conference Center*: Approved request to transfer payroll processing responsibilities for year-round staff to the diocesan accounting office.
- *Insurance/Earthquake Riders*: Sent a letter to congregation leaders encouraging churches to acquire earthquake insurance if it is not already in their plans.
- *Miscellaneous Trust Funds*: Authorized usage of available capital gains from specific donor-restricted Miscellaneous Trust Funds (the Sophie Henry Trust and the Endowment for Mission Ministries) for the 2023 annual operating budget.
- *Property*: Approved not to consider offers of fractional ownership of any church property when there is an Episcopal congregation worshipping there unless the other congregation is one that is in full communion with the Episcopal Church.
- *Refugee Resettlement Office*: Authorized letter of intent for new location agreement; Co-signed up to fifteen rental agreements per year for refugees supported by the Diocese through RRO; authorized creation of a reserve fund within RRO to cover any potential losses.
- *St. Andrew's House*: Approved withdrawal of funds from the St. Andrew's House Reserve Account for purpose of replacement of kitchen ranges.

*Submitted on behalf of the Board of Directors by Mr. Marc Malone, Vice President, with additional information provided by Canon Dede Moore, Canon for Diocesan Networking & Connections.*