

Report of the Board of Directors – 2017

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 2015 – 2016 Board of Directors:

The Rt. Rev. Gregory Rickel, president; **Mr. George Robertson**, vice president, St. Barnabas, Bainbridge Island; **Ms. Karen Gusse**, secretary, St. James, Kent; **Ms. Barbara A Fox**, treasurer, St. John, Kirkland; **Mr. Wadell Brent**, Church of the Good Shepherd, Federal Way; **Ms. Mary Dickinson**, St. Mark’s Cathedral, Seattle; **Mr. George Garcia**, St. Joseph St. John, Lakewood; **the Rev. Christina Jillard**, St. Margaret, Bellevue; **Mr. Collie Liska**, St. Benedict, Lacey; **Ms. Patricia McGuire**, St. Bede, Port Orchard; **the Rev. Jonathan Weldon**, St. Paul, Bellingham; Ex Officio: **Mrs. Judith Andrews**, chancellor, St. Mark’s Cathedral, Seattle.

Staff members working regularly with the Board of Directors:

The Rev Canon Dr. Marda Steedman Sanborn, canon to the ordinary; **Canon Dede Moore**, canon for governance & human resources; **Mr. Harold Hall**, consulting canon for finance.

Over the past year the Board has again been assisted by a steering committee working between meetings to maximize the Board’s effectiveness through advance planning and preparation of agenda items. 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)

As of Sept. 30, 2017

	2017	2016
Available Funds	\$ 720,451	\$ 72,047
Property in Orchards	\$ 0	\$ 557,643
Notes Receivable	<u>\$ 29,456</u>	<u>\$ 90,026</u>
Net Assets	\$ 749,907	\$ 719,716

Building Loan Fund (BLF)

As of Sept. 30, 2017

	2017	2016
Available Funds	\$ 1,859,542	\$ 1,674,180
Notes Receivable	\$ 3,209,181	\$ 3,409,400
Interest Receivable	\$ 82,622	\$ 83,880
Sedro Woolley Rec.	<u>\$ 160,326</u>	<u>\$ 0</u>
Net Assets	\$ 5,311,671	\$ 5,167,460

Specific Board actions on behalf of congregations (and former congregation properties) Nov. 2016–Oct. 2017:

- *Castle Rock, St. Matthew*: Covered property insurance payments.
- *Cathlamet, St. James*: Covered repair of pressing safety and liability issues.
- *Hoodsport, St. Germain*: Accepted the gift of a new small construction trailer to serve as a small stand-alone office.
- *Issaquah, St. Michael & All Angels*: Approved a bridge loan to be repaid by funds collected through its capital campaign.
- *Port Townsend, St. Paul*: Refinanced an existing loan adding an additional balance.
- *Poulsbo property*: Accepted a purchase and sales agreement for a small section of the property.
- *Seattle, Lake City property*: Declined a request for use of the closed property. Approved a land value as the passive equity contribution to a development proposal.
- *Seattle, Rainier Beach property*: Approved roof repairs.
- *Sedro Woolley, St. James*: Congratulated the congregation for the success of the first year of its community garden and renewed the lease agreement for one year. Wrote off the receivable for building demolition. Declined an offer to sell the property.

- *Silverdale, St. Antony of Egypt*: Authorized congregation to withdraw funds from its capital campaign account in the DIF to pay for construction costs. Entered an agreement with Kitsap Bank to secure a line of credit for benefit of the congregation.
- *Vancouver, Orchards property*: Approved sale of the property.
- *Westport, Chaplains on the Harbor*: Approved a joint use agreement between the diocese and South Beach Food Bank.
- *Approved DIF withdrawals for*: Poulsbo, Faith; Hoodspport, St. Germain; Bellevue, All Saints; Seaview, St. Peter.

Additional actions December 2016 – October 2017:

- *Building Loan Fund (BLF) & Mission Development Fund (MDF)*: Authorized use of realized gains from the sale of the Orchards property to write off balances due from three congregations. Authorized a new reserve account in the DIF.
- *Diocesan House*: Authorized funding from the Diocese of Olympia Hodges Fund designated for Diocesan House for initial work and further inspections and reports as indicated in the Diocesan House report.
- *Diocesan Investment Fund (DIF)*: Authorized a Carbon Footprint report on the DIF. Approved the audit of the 2016 DIF as submitted.
- *Financial*: Transferred funds from Trust Account Thanksgiving & Memorial to liability account St. Bernard's Chapel. Informed the Budget & Finance Committee of capital gains funds available as needed for use in the 2018 diocesan operating budget. Authorized the Diocesan Property Manager to act on its behalf in approving emergency repairs and maintenance to diocesan properties costing less than \$3,000. Established signers for the new Legal Defense Fund. Approved 2016 audits for the Building Loan Fund, Mission Development Fund and Real Estate Fund, Operating Fund, Trust Accounts, and Diocese of Olympia, Inc (consolidated).
- *Fossil Fuel Funds*: Adopted a Statement on Fossil Fuel Divestment.
- *Huston Center*: Authorized the Huston Center Operations Committee to use funds from its 2016 credit balance to provide bonuses to year around staff. Accepted a bid for replacement windows in Paddock, Barker, and Keator Lodges. Authorized purchase of new tables for the conference center.
- *Property Committee*: Set a charge for the committee.
- *St. Andrew's House*: Authorized replacement of two existing lodge furnace units.
- *Policies amended*: Congregational Authority to Act. Diocese of Olympia, Expenditure Policy for Diocesan Endowments. Procedure for Documentation of Sale or Other Disposal of Movable Assets by Missions or Diocesan Organizations. Overview of Standard Loan Application Procedures. Overview of Urgent Loan Application procedures.

Administrative actions reviewed by the Chancellor and signed by the Treasurer on behalf of the Board – December 2016 – October 2017:

Signed subcontract renewal for RRO with Lutheran Community Services / Signed 5 management agreement letters for Peterson Sullivan LLP for the 2016 audit / Signed purchase and sale agreement addendum acknowledging purchase has waived all contingencies on the sale of the Orchard's property, with a closing of Jan. 31, 2017 / Signed Roof Doctor contracts (2) for St. Matthew/San Mateo / Signed Wells Fargo Bank signature cards for Jubilee Ministry / Signed Umpqua Bank signature card for St. Bernard's Chapel / Signed Labor Service Agreement for Millionaire Club Charity for All Saints Bellevue / Signed Subcontract DSHS/World Relief Seattle for Refugee Resettlement Center / Signed Subcontract DSHS/LEP Pathway ESL and Intensive ESL Services for Refugee Resettlement Center / Signed Apartment Rental/Lease Agreement for Refugee Resettlement Center for ESL classroom / Signed estimate with Blue Sky Glass Installation for Camp Huston for windows / Signed quote from MITYLITE for Camp Huston for new tables / Signed estimate for Doctor Roof for Atlantic Street Center for roof repairs / Signed Dept of Revenue Property Tax Exemption Renewal Declaration for St. Antony, Silverdale / Signed Weatherguard estimate for St. James Family Center for roof replacement / Signed contract with Puget Sound Pipe Organs for repair of organ at Christ Episcopal Church, Anacortes / Signed 5 audit confirmation letters / Signed Declaration of Covenant associated with Maintenance and Operation of Storm Drainage Facilities for St. Antony, Silverdale / Signed Contract for Bellair Charters for Christ Episcopal Church, Anacortes / Signed Labor Service Agreement for Millionaire Club Charity for All Saints Bellevue /

Signed Subcontract DSHS/World Relief Seattle for Refugee Resettlement Center / Signed Subcontract DSHS/LEP Pathway ESL and Intensive ESL Services for Refugee Resettlement Center / Signed Apartment Rental/Lease Agreement for Refugee Resettlement Center for ESL classroom / Signed estimate with Blue Sky Glass Installation for Camp Huston for windows / Signed quote from MITYLITE for Camp Huston for new tables / Signed estimate for Doctor Roof for Atlantic Street Center for roof repairs / Signed audit Management Letter for Petersen Sullivan for DIF audit / Proxy for Alki Beach Towers for Greg or Marti Rickel to vote at homeowners meeting / Approved with Canon to the Ordinary confirming withdrawal of \$1,200.00 for St. Hugh, Allyn for their annual scholarships / Signed Subdivision/Plat Shortform Application for St. Antony, Silverdale / Signed Silverdale Water District 2017 Construction Agreement Developer to Build Extension for St. Antony, Silverdale / Signed wire transfer authorization for Accounting / Signed Temporary Housing Resident Contract for St. Matthew/San Mateo / Signed Contract Amendment for DSHS and RRO / Signed Authorized Signatures for Invoices for King County and RRO / Signed RainWise Rebate Contract for St. Luke's Ballard / Signed Contractor Information Update for DSHS and RRO / RRO DSHS renewal amendment / Employment Security Dept Unemployment Insurance forms / Signed Contract Amendment for DSHS and RRO (LEP Pathway Amendments / Kitsap County Supporting Document Authorization St. Antony. Silverdale / RRO Recruitment contract / American Century Investment Administrator signature authority / Signed building use agreement between St. Columba & Catholic Community Services.

Submitted on behalf of the Board of Directors by Dede Moore, Canon for Governance & Human Resources.