

**MINUTES OF ST. MARK'S VESTRY MEETING  
ST. MARK'S EPISCOPAL CHURCH, WASHINGTON, DC  
MARCH 25, 2012**

**Present:**

Clergy: Paul Abernathy, Rector

Wardens: Cecilia Monahan, Senior Warden; Phil Guire, Junior Warden

Vestry Members: Bill Dickinson, Rick Hayes, Grady Hedgespeth, Amy Kovac-Ashley, Charlotte Murray, Marilu Sherer, Jim Steed, Janet Vail

Officers: Mary Anderson Cooper, Register; Crane Miller, Treasurer, Karlyn Stanley, Counsel; Yann VanGertruydeen, Assistant Treasurer

Absent: Pam Lacey, Vestry Member; Justi Schunior, Assistant Rector;

Visitors: Vision 2020 members Kenn Allen, Doris Burton, Ed Corr, Linda Ewald, and Mike Townsend; Project Consultant Alex Berley; and parishioners Betsey Athey, Betsy Agle, Don Mosher, Winnie Mosher, and Louise Walsh

The Rector introduced the document *The Big Questions* (distributed to the Vestry electronically prior to the meeting) drafted by the Senior Warden, who explained the origin of the document and the order of the questions.

***Question One: Do we, at this time, wish to continue with the renovation project or review for an indefinite period?***

The Rector said that a question needs to be framed to put to the parish at the Town Meeting on April 22. The Steering Committee needs a decision from the Vestry in order to proceed with its work. Jim Steed noted that we cannot delay making final decisions indefinitely, especially because people are already paying their pledges and we are already incurring expenses.

Other Vestry members stated that there needs to be a timeline for accomplishing the program decided upon and that it must be adhered to so that the parish will feel that something real is being accomplished. It is likely that the cost will increase as the economy improves and there is more demand for labor and equipment. It was noted that the Steering Committee has established timelines for each part of the project and that the Vestry needs to be more involved in the future than it has been in the past.

***Question Two: Do we, at this time, wish to vote on the viability of "Option 1", the renovation of Baxter House?***

Several people noted the problems with Baxter House in terms of comfort and functionality. It has been the victim of deferred maintenance which would now be very expensive to correct. Several Vestry members commented that, for the safety and security of St. Mark's, it should be sold as soon as possible, bearing in mind that diocesan approval is needed for this transaction and may take some time.

***Question Three: How much do we want to spend on this project? Do we wish to fund this project with the proceeds from fundraising only (if Option 1 is the choice), with fundraising proceeds plus the net proceeds from the sale of Baxter House (for Options 2 and 3), or with those two sources plus a mortgage or endowment fund loan?***

There was discussion of the fact that pledge income for 2012 has dropped, which will need to be explained to the bank when our line of credit expires in May of this year. It is possible that they will give us a reduced line of credit in the future because of the reduced income.

Jim Steed said that he opposes borrowing from the Endowment Fund (the portion derived from the sale of the rectory some years ago) because he is concerned about the ability to pay it back. Instead, we should do what we can do for \$2.8 million and plan for a second phase.

The Rector explained that the Endowment is about \$1 million, half from the sale of the rectory and the remainder from designated gifts. There is no donor intent associated with the funds derived from the sale of the rectory. A percentage of each fund can be spent each year for the things for which they were designated (arts, music, historic preservation, etc.). Income on the funds from the rectory sale is designated for building maintenance and we can spend \$25,000 a year for specific projects in that area, not for reducing the general budget for repairs and maintenance. Some of these funds were used for building studies prior to the capital campaign.

In response to a question about whether these funds could be used for deferred maintenance, former Senior Warden Kenn Allen that there are stringent requirements for spending endowment funds and that all expenditures must be approved by the Vestry. Unspent annual allocations remain available for future year expenditure.

Charlotte Murray and Treasurer Crane Miller favored doing Option 2, limiting expenditures to \$2.8 million and avoiding debt. Vestry member Dickinson opposed going into debt.

Marilu Sherer expressed concern about deferred maintenance items and asked that they be identified. Kenn Allen responded that much of what has been deferred is in the parish hall and would be covered by the proposed renovations, such as replacing the HVAC. The church is in generally good condition and is not slated to receive new HVAC. With expenditures of about \$50,000 all deferred maintenance there in the nave could be taken care of, with the exception

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of replacing the Lexan on the windows. What is currently there is perfectly functional but is discolored and scratched, detracting from its appearance. The stained glass windows themselves were restored in 2000 and are in good condition.

Grady Hedgespeth said he was not opposed to using endowment funds as long as we put repaying it at the top of our list of commitments. Junior Warden Guire stated that “money follows vision” and that people would give more when they saw what they were getting. He supported taking a mortgage. Counsel Stanley expressed concern about the risk involved in having a mortgage and Register Cooper felt that, given the transient nature of urban populations, burdening a future generation with a long-term mortgage would make paying it off difficult since people ten years from now will not know how the building was before the debt was incurred and will not be interested in paying for something they accept as a given. Amy Kovac-Ashley suggested keeping the current goals but taking longer to achieve them.

The Senior Warden said that the congregation wants something big to show for all the effort that has been expended. We could end up with a huge endowment but no people if we don't improve the property.

Jim Steed pointed out that ours is a small endowment compared with other churches, and Bill Dickinson said he thought we could only get a five or six year mortgage which would require very large monthly repayments.

Vision 2020 treasurer Linda Ewald felt the loan situation was less dire and that we could probably get a fairly large loan, saying that the National Capital Bank officials were amazed that we had no debt. Kenn Allen pointed out that interest rates will never be lower and he and Mike Townsend expressed the belief that more could be raised from the congregation once plans are settled.

Charlotte Murray inquired about the possibility of putting the conference room planned for the staff space in the second floor close to the entrance to that area so that it would be available at nights and on weekends as a meeting room. She also suggested that the proposed new classrooms in the undercroft be placed side by side so they could be combined into one large room when needed. There was discussion of why three small rooms are needed off the dance studio. The response was that they are already there so combining them would add to cost, and they are needed so that boys and girls have separate changing rooms.

***Question Four: How shall we respond to the posted comments and questions from the parish? May we post them all on the website?***

There was discussion of how the questions and comments sent to the Steering Committee should be handled in terms of general distribution. Bill Dickinson suggested that those people who submitted them should be asked for permission to publish their comments and given the chance to edit them. Those comments sent to the St. Mark's e-group are already public, but those that went to the Steering Committee may not have been intended for general sharing.

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There was agreement that many of the questions cannot or should not be answered yet and that people should be thanked for their input and assured that it is being considered.

It was agreed that the document that summarized and grouped the input from the parish in categories should be posted on the website, with a link to the total input once those who contributed to it had been contacted. Mike Townsend agreed to contact responders. Marilu Sherer suggested that anyone who had commented should be especially urged to come to the Town Meeting on April 22. Karlyn Stanley said that the Vestry clearly needs a communications plan going forward.

Kenn Allen summarized the results of this discussion as follows: (1) develop a communications plan for the Vestry; (2) ask permission of all responders to post their comments; (3) post the summary already prepared, with a link to the entire input; and (4) develop responses to those questions/ideas that can be answered. This plan should be in place two or three days before the Vestry Retreat April 13 and 14, along with a memo from the Rector and Senior Warden indicating that this is the process.

Former Senior Warden Mike Townsend commented that for months we have been dreaming about what we want for the parish, and now it looks like what we are getting is new offices and deferred maintenance. This is disappointing to people who thought they would get more, particularly more meeting rooms similar in size to the Adams Room.

### **Executive Session**

Marilu Sherer moved and Jim Steed seconded that the Vestry go into Executive Session to discuss several issues related to the Vision 2020 Steering Committee, its structure, future responsibilities, membership and staffing.

### **Future Meetings:**

Vestry Retreat:	April 13-14
Town Hall:	April 22
Vestry Meeting:	April 29

Submitted by  
Mary Anderson Cooper, Register