

## The EPISCOPAL DIOCESE of OLYMPIA

### REPORT OF THE BOARD OF DIRECTORS (2024)

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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 Board of Directors: **The Rt. Rev. Philip N. LaBelle**, president; **Mr. Dan Renfroe**, vice president and chair, St. Christopher’s, Olympia; **Ms. Judith Andrews**, chancellor, Saint Mark’s Cathedral, Seattle, ex-officio; **Mr. Jim Beckwith**, treasurer, St. Paul’s, Bellingham; **the Rev. Doyt Conn**, Epiphany Parish of Seattle; **Mr. Jeff Maxwell**, St. Aidan’s, Camano Island; **Ms. Christi McCarren**, Christ Church, Tacoma; **Mr. Ron Miller**, Church of the Good Shepherd, Vancouver; **the Rev. Katherine Sedwick**, St. Michael & All Angels, Issaquah; **Ms. Vicki Setzer**, All Saints, Vancouver; **the Rev. Cn. Dr. Marda Steedman Sanborn**, secretary, Saint Marks’ Cathedral, Seattle; **Mr. Clyde Summerville**, Epiphany Parish of Seattle. Staff members working regularly with the Board of Directors: **Mr. Bryan Krislock**, vice chancellor; **Cn. Dede Moore**, canon for human resources, governance & convention; **Cn. Charles Thorne**, canon for finance; **the Rev. Dennis Tierney**, diocesan property manager. In addition, the following members served partial terms: **The Most Rev. Melissa Skelton**, provisional bishop; **the Rev. David Marshall**; **Mr. Joe Jennings**.

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/committees this year to work on the following: Property Committee, Loan Committee, Membership Recruitment & Onboarding, Policies Review. The Board receives annual reports from, as well as bi-monthly updates from liaisons to: St. Andrew’s House, Huston Camp & Conference Center, and Episcopal Retirement Communities.

The Board receives an annual report from the Diocesan Investment Fund (DIF). The current performance status as of August 31, 2024, is:

Performance Returns	Balance	1 Month	3 Months	Year To Date	1 Year	3 Year	5 Year	Since 12/2005
<b>Total Portfolio</b>	\$108,782,138.37	2.06%	6.10%	9.76%	15.47%	4.02%	8.44%	7.77%
<b>Asset Classes</b>								
<b>Cash Equivalents</b>	\$1,898,289.90	0.44%	1.31%	3.52%	5.33%	3.09%	2.01%	1.42%
<b>Fixed Income</b>	\$32,276,937.19	1.33%	4.15%	3.82%	7.68%	-0.03%	1.36%	3.29%
<b>Equities</b>	\$74,606,911.28	2.39%	7.01%	12.45%	19.19%	5.77%	11.41%	9.72%
<b>DIF Benchmark</b>		1.66%	5.69%	12.30%	18.33%	5.12%	9.73%	N/A

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 Sept. 30			As of Sept. 30		
	<b>2024</b>	<b>2023</b>		<b>2024</b>	<b>2023</b>
Available Funds	\$ 526,984	\$ 882,329	Available Funds	\$ 4,247,690	\$ 3,095,349
Notes Receivable	\$ 0	\$ 0	Notes Receivable	\$ 2,097,355	\$ 2,868,967
Net Assets	\$ 526,984	\$ 882,329	Interest Receivable	\$ 25,418	\$ 4,807
			Net Assets	\$ 6,370,463	\$ 5,969,123

2025 BLF (Building Loan Fund) & MDF (Mission Development Fund) loan rates:

BLF fixed rate of interest	8.5%	New loans established in 2025; loan terms up to 5 years.
BLF variable rate of interest	5.875%	Loans initiated prior to January 1, 2022.
MDF rate of interest	5.875%	

**Specific Board actions on behalf of congregations (and former congregation properties) October 2023–September 2024:**

- *Battle Ground, Holy Spirit:* Authorized a negotiated long-term lease agreement with the Four Square Battle Ground Congregation for the Holy Spirit Battle Ground property.
- *Bellevue, All Saints:* Approved withdrawal of funds from its endowment in the DIF for lease payments.
- *Camano Island, St. Aidan:* Approve withdrawal of funds from its endowment in the DIF to replace the entryway and to paint the entire facility.
- *Cathlamet, St. James Family Center:* Approved withdrawal of funds from its deferred revenue account in the BLF to pay for three (3) major maintenance projects: replacement of HVAC equipment, repairs to an elevator/hydraulic lift, and fire system repairs. Amended the lease agreement with the St. James Family Center, Cathlamet, to September 1, 2036. Approved withdrawal of funds from its endowment in the Diocesan Investment Fund.
- *Cloverdale (Rainier Beach) Property (former All Saints Church):* Granted funds from Board Works Fund to replace failed windows in this property's building being used by Atlantic Street Center. Authorized funds from the Phillips Memorial Fund to: improve the current storm water drainage system by constructing a barrier wall, adding pumps, and re-directing the water away from our building; complete the barrier wall across the entire length of our northern boundary to protect our property; determine damage and potential to pursue legal redress; replace the main water line; and remove hazardous tree limbs. Requested vice chancellor to send demand letter to the northern neighbor to cease and desist directing runoff toward our property. Authorized the sale of the property.
- *Diocesan House:* Amended a motion to authorize funds from the Hodges Fund for the Diocese (under the provisions of the court order permitting the use of funds held in the Hodges Fund for repairs to the House) to complete the full restoration and repair of Diocesan House. Adopted the Draft Preservation Plan; authorized Chancellors to investigate obtaining Federal Tax Credits to off-set the costs of this Draft Preservation Plan. Authorized an upgrade to Comcast service at the Diocesan House including a 2-day version of a fail over system to keep the diocesan internet up and running in the case of an outage.
- *Kent, St. Columba:* Approved funds from Board Works Funds for tree removal; funds to be repaid upon receipt of easement funds from the developer. Pending sale of surplus property, approved BLF loan payment modification. Authorized listing north and west parcels of surplus property, with negotiations for a boundary lot adjustment for the west parcel to remove the cell towers from the portion of property being sold.
- *Lakewood, St. Joseph-St. John:* Approved a grant from Board Works Fund for emergency repairs due to a serious water leak from a failed hot water heater in the attic of the building; most of this amount to be repaid by the insurance company.
- *Maple Valley, St. George's:* Authorized modification of the terms to the existing BLF loan to adjust the interest rate for 2024.
- *Montesano, St. Mark's:* Granted funds from Board Works to assist with replacement of the air handler/furnace. Approved withdrawal of funds from its DIF holdings for repairs.
- *Olympia, St. John's:* Declined the request from St. John's/San Juan, Olympia, to provide funds for unanticipated building maintenance and repairs.
- *Poulsbo, Faith Church:* Approved withdrawal of funds from its DIF endowment for roof repairs and gutter replacement. Approved a grant from Board Works Fund to assist with roof repairs and gutter replacement.
- *Seattle, Christ Church:* Accepted the diocesan Property Manager's Updated Report on Legal Expenses 2020 to present. Approved funds from the Hodges Endowment Fund to continue environmental monitoring of the plume of dry cleaner solvent located underground in the near vicinity of the property for a one-year period.
- *Seattle (Ballard), St Luke's:* Approved the request from St. Luke, Seattle (Ballard), for Mission Development Funds to cover, marketing and transaction support for a ground lease of the property; legal fees for the property transaction; a construction specialist to ensure that the needs of the congregation are included in the development transaction; pre-construction and construction costs; and survey update and massing study. Approved the Affordable Housing Covenants and Easements. Approved a Joint Use Agreement with St. Paul's United Church of Christ, Ballard, to provide kitchen and other property use by St. Luke's for its Edible Hope program. Approved the Ground Lease. Authorized deposit of funds received at the closing of the land lease

with Bridge Housing into a CD.

- *Sedro Woolley property*: Approved the use agreement for use of diocesan-owned property as a community garden through June 30, 2025.
- *Silverdale, St. Antony of Egypt*: Approved withdrawal of funds from its fund in the Diocesan Investment Fund (DIF) for the purpose of outreach and reimbursement to the operating account for expenses in the search for a new vicar.
- *Tacoma, All Saints*: Authorized sale of a portion of the property at All Saints, Tacoma.

**Additional actions October 2023 – September 2024:**

- *Administrative*: Updated corporate officers: the Most Rev. Melissa Skelton, president; Dan Renfroe, vice president; the Rev. Marda Steedman Sanborn, secretary; James Beckwith, treasurer; Cn Dede Moore, assistant treasurer. Updated bank signature cards as required throughout the year.
- *Annual Reports*: Heard annual reports from the DIF Committee, the Episcopal Retirement Communities, St. Andrew's House, and Huston Camp and Conference Center.
- *Audit*: Give permission to the Joint Finance Panel, in its role as the Audit Committee of the Diocese, to authorize Clark Nuber to issue the audited financial statements for the New Roots Fund for FY2020 and FY2021. Upon the recommendation of the Joint Finance Panel that the Board of Directors accepted the proposal by Clark Nuber to audit the finances of the Diocese for the year 2022.
- *Bishop Nedi Rivera Latino Ministry Fund*: Upon recommendation of the Combined BIPOC Funds Working Group, approved a grant request from the Bishop Nedi Rivera Fund to St. John's/San Juan, Olympia.
- *Building Loan Fund (BLF)*: Set the 2025 BLF fixed interest rate at 8.5% for both parishes and missions on new loans established during 2025, with loan terms of up to 5 years. Set the 2025 interest rate for loans from the BLF initiated prior to January 1, 2022, for both parishes and missions at 5.875%.
- *Chaplains on the Harbor*: Affirmed its relationship with the Chaplains on the Harbor, a mission station of the Diocese of Olympia and separately incorporated non-profit organization serving people in Grays Harbor County directly impacted by homelessness, incarceration, and addiction.
- *Cursillo Program*: Authorized sale of a Wells Cargo Trailer purchased for use by the now disbanded Cursillo Ministry of the Diocese of Olympia. Approved closing bank accounts.
- *Diocesan Investment Fund (DIF)*: Authorized the DIF Committee to engage a proxy service.
- *Endowments/Miscellaneous Trust Funds*: Accepted transfer of principle to the Seminarian Scholarship Fund from the Justice in Ministry Endowed Scholarship currently held by Seattle University. Accepted transfer of principle to the Seminarian Scholarship Fund from the Judith Pickard Endowed Scholarship currently held by Seattle University. Authorized usage of available capital gains for the 2025 annual operating budget. Authorized usage of available capital gains from the College Work Endowment (CWE) Trust in support of the Campus Ministry grants included in the 2025 Budget. Approved withdrawal of funds available for distribution for fiscal year 2020 from the College Work Endowment Trust Fund to support the Campus Ministry grants in the 2025 Budget.
- *Episcopal residence*: Requested that a Thornton Creek Cottage be reserved as a temporary or long-term residence for the Bishop of Olympia. Authorized purchase of a Thornton Creek Cottage as the residence for the Bishop of Olympia. Authorize funds for the purchase of a solar panel system for the Bishop's Residence.
- *Mission Development Fund (MDF)*: Set the 2025 MDF Loan Rate at 5.875%.
- *Policies*: Approved and updated policies related to its election and appointment process. Adopted a Policy on Use of Property Sale Funds, Mission Debt Repayment, and Growing Capital Reserves. Approved amendments to the following Board policies: Conflict of Interest policy; Delegation of Administrative Actions; Reconfirming Mission Status; Mission Bank Accounts, Contracts and Securities Transactions; and Expenditure Policy for Diocesan Endowments.
- *Refugee Resettlement Office*: Authorized termination of the lease agreement with Habitat for Humanity. Accepted the 2020 audit for the New Roots Fund of the Refugee Resettlement program as approved by the diocesan Audit Committee.

*Submitted on behalf of the Board of Directors by Mr. Dan Renfroe, Vice President, with additional information provided by Cn. Dede Moore, Canon for HR, Governance & Convention; and Cn. Charles Thorne, Canon for Finance.*