



SAINT MARK'S EPISCOPAL CATHEDRAL

M I N N E A P O L I S

January 12, 2020

To my Fellow Parishioners of St. Mark's Cathedral

Happy New Year to all of you and I hope this finds you well. We now have 2020 behind us and what a year it has been. It does appear 2021 will be better and the light is getting brighter every day at end of the pandemic tunnel. That of course means that we are day by day getting closer to all worshiping together in our Cathedral home. Let us all hope it comes sooner rather than later.

Your council has been meeting without fail each month and you have helped us immensely by maintaining your financial support throughout 2020. The final tally is not quite in but Saint Markans paid very close to 100 percent of their 2020 pledges despite the economic challenges we faced. That allowed us to keep everyone on staff and working hard to continue the mission of the Cathedral. We were able to do that thanks to a \$156,000 loan from the Federal Government which as part of the first stimulus package last Spring. That loan was forgiven in December 2020.

As you can imagine, the budgeting process for 2021 has been a challenge. We have delayed finalizing a 2021 hoping that the subsequent federal relief package would allow us to again apply for additional support. Unfortunately, the new loan package includes an added criterion which appears to keep us from qualifying. The regulations require us to demonstrate that we had a 25 percent reduction in gross receipts in any one quarter of 2020 as compared to 2019. I should say at this point that we had incredible support from our foundation that helped us further weather the financial needs of 2020 and we are grateful to the Foundation board of Fred Moore, chair, Richard Hellling, Cindy Lennie, Penelope Greene, and Paul Anton for their partnership. They additionally have agreed to support us in 2021 with their normal disbursement of \$180,000, another \$100,000 from a three-year commitment made in 2019 to assist us with new staffing, and an additional \$120,000 to help us close the expected budget gap.

But even with that support, without the federal help, we would find ourselves with an anticipated deficit of \$65,000 for the year. Since we have not met in person in ten months, we have not had any ancillary revenue such as plate receipts every week and rental income for groups that use the cathedral. Ongoing expenses had continued to maintain the building and even though utilities have been down somewhat, it is not enough to offset the revenue loss.

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In order to get us to a balanced budget therefore, we have reluctantly included in the budget a ten (10) percent salary reduction to go into effect on February 1, 2021 and to stay in effect until we can begin to resume some semblance of normal worshiping activities. As I said previously, let us all hope that is sooner rather than later. (On a positive note, the Council will continue to absorb the majority of the costs for staff health insurance premiums and has voted to pay all of the increase in premiums for 2021. Thus staff copayments for premiums will not increase in 2021. That represents approximately \$6,600 in new expenses.)

We have not come to this decision lightly but short of receiving additional revenue whether it be from government aid or increased pledge income, we feel we had a responsibility to maintain the fiscal health of the Cathedral.

To create what we think is a balanced budget, we have cut various expenses dramatically and will include the temporary cut to staff salaries, but we cannot be sure it is balanced until we hear from the 70 people who pledged in 2020 but have not yet returned pledge cards for 2021. We are counting on their doing so and hoping they will on average be able to increase pledges by five percent.

Two final words.

To those of you who have not yet pledged for 2021: Please return a pledge to the church office. You can request a new one if you have misplaced the one previously sent to you. We hope you can renew or increase your previous pledge, but we understand that the economic downturn may mean that some of you may need to decrease or suspend your pledge altogether. It will help our planning to know your intentions as soon as possible.

To those of you who have already pledged for 2021: I know it is a lot to ask of you who have given so much, but if you have the ability add to your current pledge, it would help us to manage in 2021 and perhaps even restore staff salaries. Please reach out to Dean Paul, Stuart MacDonald or Paul Lakeman. You can also call the Cathedral business office to increase your 2021 pledge.

These are challenging times, and we cannot thank all of you enough for your prayers and financial support in maintaining your gifts in 2020 and for your continued commitment in 2021. God's Peace to you all.

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