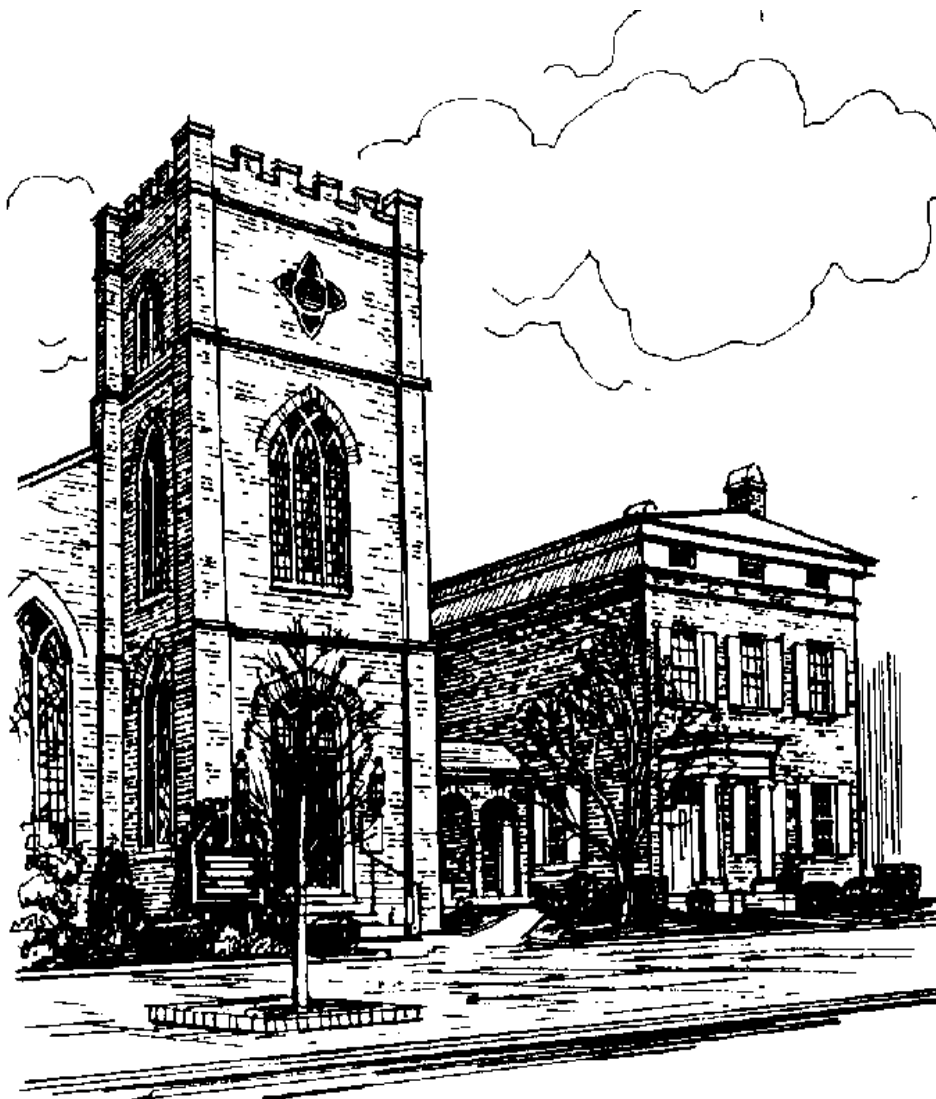


Annual Report



*Cathedral Church of Saint Stephen
and Cathedral House* *Harrisburg, PA*

For The Year Ending December 31, 2005

St. Stephen's Episcopal Cathedral
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DEAN'S REPORT

Dear Friends,

What a pleasure to be with you for this first Annual Meeting as your new Dean! I want to begin by saying thank you. Sally, Rhys, Kristina, and I are grateful for the continued help and support so many of you have given to help us get settled in our new parish home. We feel welcomed and very much at home in this creative and energetic parish family.

This is an exciting time for St. Stephen's Cathedral. I think it is clear to all the hard work and difficult choices that so many people have made to bring us to where we are today. You are managing the financial challenges and staffing changes of this past year with grace and I am pleased to see this year end with no deficit and this coming year begins with plans for new staff and new ministries.

As we share our reports from the activities of the past year, I am impressed with the multitude and vitality of ministries at St. Stephen's. Truly this is a parish community that lives out the words from the Epistle to James: "*Be ye Doers of the Word, and not hearers only*".

The list of people from the parish family that need to be thanked for all their good work is extensive. I particularly want to thank Mary Jane for her good work as Senior Warden this past year. I do not think anyone can understand the size and intensity of the job of Senior Warden during an Interim. More hours and more energy than we can even imagine go into this leadership role and Mary Jane did her work with grace and cheerfulness. I am also grateful for Ann Elliott's good work as Junior Warden and for all the Vestry as well as the discernment and transition committee members and their families. You have done a great job and with the assistance of your Interim Dean, The Rev. Mark Hatch, you have made remarkable adjustments to bring the Cathedral into a balanced budget with a new dean and hope and vitality for future ministries.

I also want to thank my staff. When I began to work as your Dean this September, I was surprised to find that the Cathedral budget only supported three full-time staff, the Dean, the Parish Administrator, and the Minister of Music, and one part-time Bookkeeper. The Parish Nurse and the Youth Missioner were both supported by special ministry grants. I am grateful for the good work and commitment offered to the Cathedral by Sami and Michael. As our paid staff members are stretched by their workload, the volunteers that support them become more important. I have learned that the support and leadership of our volunteers is an incredible gift to this parish family. Whether it is Joan Esham who supports our Buildings and Grounds as though she were a full time employee, Bill Davis who takes the lead with our finances, or the host of people who support the wide range of ministries from the Flower Guild, Altar Guild, Parish Life, and Education ministries, it is very clear that we would not survive without their generous and boundless support. I like to proclaim to all my associates who offer their concern about the Cathedral Parish that we are blessed to have a volunteer spirit and enthusiasm that is a gift from God, and one that offers us much more than a paid staff could ever do. The purpose statement that we share is being lived out daily: "Our purpose is to enhance the full participation of all our members!"

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I want to mark two particular goals for the coming year which I ask you to pray for and support. The first is the goal of retiring the mortgage and creating an endowment, and the second is the development of staff, including a new curate and several members in the Root Group (Bigler) House.

1. The Finance Committee will announce the establishment of an Angel Fund where individuals and groups can make specific gifts towards retiring the interest-bearing mortgage on our new building. Today you will hear that a sizeable portion of that debt will be paid down shortly, and I offer to you the goal over the next three years of retiring the debt and building a permanent Endowment Fund that will support the increasing costs of our plant and buildings.

2. In terms of staff, we have established a plan to hire a curate. In addition, the Vestry supports the use of the Bigler House for the creation of a Root Group with young adults living in an intentional community and in return offering 15-20 hours of ministry to the Cathedral and community. We are also beginning a plan to create a counseling and wholeness and health ministry on the first floor. Presently we are interviewing specific individuals for all these positions, with the goal of having these positions filled by May.

I ask for your prayers and support for this coming year. Each of you is an important part of this Cathedral community, and I look forward to growing our ministry together and helping to shine the light of Christ throughout this community and the world! May God bless us all!

Faithfully,
The Very Rev. Churchill G. Pinder, Dean

REPORT OF THE SENIOR WARDEN

Recently I had the pleasure of speaking with Julia, the 93-year old mother of one of my dear friends. Julia, a tiny woman whom I have enjoyed knowing for many years, has sparkling eyes, a sharp mind and a delightful sense of humor. A widow now for many years, Julia lives alone in her large Victorian home in Lewistown, savoring her independence. During this particular conversation, we exchanged church stories. Julia has been a member of the same Methodist church for over 60 years, still driving to services every week and volunteering to help at the special events held at the church. (How she sees over the steering wheel is beyond my comprehension.) That afternoon Julia shared with me that the congregation of her church was awaiting the arrival of a new minister. The prior pastor had resigned a few months ago, and the leadership within the greater Methodist church had decided on a new minister to be assigned to Julia's church. In the Methodist church, neither the congregation nor the church council makes the selection.

As I listened to Julia that afternoon, I was reminded of the very different process that Episcopalians undertake to fill a clergy vacancy. I also remembered my initial shock, followed closely by utter denial, when I learned that a period of at least 18 months was likely to pass between the retirement of Mac and the arrival of the new Dean. It sounded utterly crazy to me to wait that long to hire a new priest and I was very skeptical that any good could possibly come from such an interim period. I was wrong.

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Now, two years after Mac announced his retirement in January 2004, we have our new Dean in place and the Cathedral is full of new life, new energy, witnessing to the wonders of the Holy Spirit. In the role of Junior Warden and then for this year, Senior Warden, I have marveled at the transformation. The process of looking within ourselves and discerning who we are and who we want to be, was often quite daunting and even painful at times. We didn't shrink from our tasks, however, and as a result, at least from the point of view of this Senior Warden, we are a stronger congregation, more energized and more committed to fulfilling Christ's mission.

It was an honor and privilege to serve as the Senior Warden in the midst of this transforming time. My role was made easier because of the leadership of Craig Wilson, our Senior Warden at the very beginning of the interim period. His courage and devoted service to the Cathedral in 2004 were inspiring to me, and I am most grateful for the example he set.

I am also deeply honored to have joined those very special women at St. Stephen's who previously served as the Senior Warden, namely, Pat Cameron and Judy Van Valkenburgh. They are both women whom I deeply admire and respect, and I can think of no finer role models for me to emulate.

There are many others at St. Stephen's to whom I am profoundly grateful for their support and encouragement throughout the year. Daphne Messersmith was always a comfort and a joy for me. The members of Vestry were truly devoted to serving Christ and shepherding the Cathedral through this challenging time. They did not shrink from difficult decisions and together we worked through any number of challenging issues. Throughout the year, Ann Elliott, in particular, served admirably as the Junior Warden or People's Warden, as some prefer to call it. She was readily accessible to the congregation, listening to concerns and sharing them with me in a most helpful way. Ann also took on any number of special projects, bringing to life a much needed Communications Committee and creating a most effective way for the committees within the Cathedral to report to the Vestry about their activities. (She can also describe with some precision what a "quasi-Tiffany" window looks like.) It was a privilege for me to share the leadership roles with her.

As I look back on the past year, I am filled with gratitude for many things that occurred. A few, in particular, stand out. One is the incorporation of the St. Stephen's School, with the Cathedral serving as the corporate member. While this may appear to some as just some legal technicalities, I believe it also marked a renewed commitment between the Cathedral and the School to work together to fulfill the vital mission of providing a quality education to the children entrusted to us and to serve the greater community in which we live.

From a financial perspective, a great deal of work was accomplished, with the very able leadership and guidance of Bill Davis, our devoted Treasurer. Just one year ago, the Cathedral was carrying \$1.2 million in debt, and we faced a budget deficit of over \$80,000. With the help of many generous members of the congregation, including Anne Yellott and Bill Murphey, who led the Pentecost Gift endeavor, we made significant progress this year, and we anticipate within the next few months paying down the mortgage to some \$600,000. I am also grateful to Bishop Creighton for his generous support in securing for St. Stephen's a Heistand loan from the Diocese in the

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amount of \$150,000. More challenges from a financial perspective remain ahead, but I believe we have a clear understanding of where we are and where we need to go.

I would be remiss as the Senior Warden if I did not include in this report my most sincere appreciation for the devoted service of each and every member of the Discernment Committee who recommended the election of Churchill as the new Dean. At the beginning of the discernment process, countless hours were spent gathering important information from the Parish and then drafting and redrafting the Parish Profile. Once the Bishop presented the candidates to the Committee almost a year ago, much more time was spent reading and rereading each candidate's story, with the goal of identifying who would best lead us in the service of God. There was travel time, of course, to meet the different candidates and more interviews here in Harrisburg, and in the process, I will note that a great deal of lasagna was consumed. Most especially, with the leadership and guidance of Tom Schmidt, and the grace of the Holy Spirit, the Committee carefully listened and discerned the candidate most gifted and best able to lead this Cathedral. I am most grateful for the opportunity to have participated in the discernment process, and I am, of course, very certain that the members of the Committee made a very wise choice.

Finally, one of the most enriching experiences this year for me has been to serve as Senior Warden to two very different but very gifted Deans. During his time at St. Stephen's as the Interim Dean, Mark helped us to address some very difficult issues, such as our rather precarious finances and some very sensitive staffing concerns. In the process he reminded us always to keep Christ as our focus and he encouraged us to embrace our own spirituality, not to run from it, and, at the same time, to engage in Holy listening with each other. I am very thankful for his many gifts and for his time here.

With Churchill, I have truly been inspired by the boundless energy that he exudes wherever he goes. The only way I can explain his wonderful creativity and unbridled enthusiasm is that the Holy Spirit is at work, perhaps, even in overdrive, when it comes to Churchill. Since his arrival, as I have entered the Cathedral, I have felt the positive energy of others spilling out of the pews. There's a "can do" spirit in our midst, and a smile on so many faces. The ways in which this Inviting Cathedral may grow and flourish doing God's work, seem limitless. It has been both a joy and a challenge to keep up with Churchill, and I suggest the next Senior Warden invest in a good pair of running shoes, to try to keep pace.

The year 2006 and beyond will surely bring many more gifts to our Cathedral family. I look forward to that, and I close with these lines from Isaiah 43:18-19.

**Remember not the former things,
Nor consider the things of old.
Behold, I am doing a new thing.**

Prayerfully submitted,
Mary Jane Forbes-Schmidt, Senior Warden

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ST. STEPHEN'S SCHOOL REPORT

St. Stephen's Episcopal School is a wonderful place to be a student! The teachers and staff continue to strive for educational excellence and inspire it in their pupils. Our overriding goal for the future is to continue on this extraordinary path. One milestone in reaching that objective will be to find new ways to reach the larger community with information about St. Stephen's School and add to our student population. Another is to increase funding sources through grant making and personal contacts with interested individuals. And finally, to reach our goal we must hire a new Head of School who will continue the legacy and vision that Patricia Cameron and Carol Lopus have created over the past twenty-seven years.

There are so many individuals who contribute to the fantastic programming that occurs at our school. We are blessed with a faculty and staff who are dedicated to children and their education. We have the Cathedral as a "parent" who supports us with time, talents and space. And we have a platoon of volunteers who coordinate everything from the Board of Directors to the hot lunch program to knitting for third graders! Our two major fundraisers, The Race for Education and The Annual School Auction, are completely organized by our volunteers. We value and appreciate all of those who help make St. Stephen's School great!

STEWARDSHIP REPORT

This year, the Stewardship Campaign focused on the "Time, Talent and Treasures" of the members of St. Stephen's. In terms of finances, the amount pledged was \$446,539, an aggregate increase of 4.3%, compared to last year's results. Through their generous giving, the members of this Parish demonstrated how God's abundance fills our lives and the world. We are deeply grateful to all the members who gave very generously of their time, talent and treasure this year. It is truly a sign that the Holy Spirit continues to inspire us. We have much to be thankful for here at St. Stephen's.

Respectfully submitted,
Jayne Abrams & Harry Weber, Stewardship Co-chairs

PARISH HEALTH MINISTRY ANNUAL REPORT

Mission Statement: To promote wholeness and healing in and among our parishioners; our staff and the world around us and empowering them to bring Jesus' compassion and hope to all people.
John 13:34. Love one another as I have loved you.

The Health Ministry endeavors to meet its mission statement through the leadership of the Parish Nurse, the Health Ministry Coordinator and the committee. Lay Eucharist Visitors, medical professionals within our parish and other lay volunteers serve the Lord through this ministry. Needs are communicated to us through our prayer request cards and telephone calls. These needs are met through hospital, home and nursing home visits, telephone conversations and health counseling, as

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we attempt to share Christ's love by bearing each other's burdens and sharing each other's joys and sorrows. The world around us is served by our involvement with Downtown Daily Bread, the Pine Street Presbyterian Church's ministry to the low-income and homeless people. We have promoted health and wellness through monthly Health Hints, educational handouts and providing a guest speaker at our St. Luke's Sunday forum. As we walk with those in need, we see evidence of God's grace and hope as His will is accomplished in their lives.

It is our desire to involve more parishioners in this compassionate ministry by sharing their gifts of time, self and compassion in service to one another. We desire to improve communication from within the parish by asking everyone to keep us informed of parishioners unable to attend services, those hospitalized, etc. We are exploring ways of deepening our caring with those dealing with serious illness. We encourage input from our parishioners as to how we can better serve one another. The Health Ministry can be reached by calling the cathedral or by emailing us at liz@ststep.org.

Respectfully Submitted,
Liz Fite, R.N., Parish Nurse
Helen Hendrickson, Health Ministry Coordinator

CHRISTIAN EDUCATION AND FORMATION COMMITTEE REPORT

Our committee would like to give thanks for what has been accomplished during 2005. We began the year in January by updating our brochures in the pews and providing activity bags for children to use during the church services. Also, due to personnel changes, volunteers came forward to donate snacks for Sunday School and Sunday Forum. Other personnel changes included the hiring of a caregiver for the nursery, Lizzie Criswell, who has done a wonderful job. In February Daphne offered Safeguarding God's Children training for those who work with children in the parish, and in March everyone attending enjoyed the Wednesday Evening Lenten Programs. Then in April and May, Mark led a Parenting in Faith Forum that was well-attended, and in June we ended a successful year of Sunday School with a service recognizing our gifted Sunday School teachers and an end-of-year brunch which the Bishop attended.

One of the major accomplishments of this year was the return of Vacation Bible School at the end of July. Twenty volunteers helped to guide 41 children on an imaginary train ride to the countries of Taiwan, Northern Ireland, Brazil, Zimbabwe and Nepal. It was a wonderful geographic and spiritual journey!

August brought several weeks of summer Sunday School, and then a very successful Spirit Day kicked off many educational accomplishments in September. These included the first day of Sunday School, the first session of Sunday Forum, and the return of the Youth Group, with David Haimovich as our new Youth Missioner. We also welcomed our new Dean, and he led a very beneficial in-service program for the Sunday School teachers and other interested members of our committee. Finally, we introduced Children's Church as an enrichment offering for children during

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the 10:15 service, and in November we held our first Fabulous Friday event, an opportunity for fellowship and fun for children ages 3 through Grade 6. In November, we held our first Thanksgiving hike to Hawk's Rock.

December ushered in the season of Advent, and our committee would like to give thanks for what was accomplished during this season. We began by making Advent wreaths, and we continued with cookie baking, Wednesday evening Advent programs, family coffee hours, an angel tree project, and a performance by the children's choir. The season ended with a wonderful Christmas Pageant during the 5:00 Christmas Eve service.

Now that we have given thanks for what has been accomplished during 2005, we need to look ahead to our goals and visions for 2006. First, we would like to continue to evaluate our offerings to make sure they are meeting the educational and spiritual needs of our parishioners of all ages. Second, we would like to encourage more volunteers to get involved with and to help with the education ministry. Most importantly, we want to continue to make our children and youth a priority, and to offer them our time and the resources of our community to carry out the promises made at their baptisms.

Respectfully submitted,
Becky Tartline, Chair

PARISH LIFE MINISTRY REPORT

The 11:30 after-service coffee hour gained in popularity during 2005. Attendance has grown steadily throughout the year. The addition of a concurrent "Family Coffee Hour" held next to the parlor in the Gathering room was added last fall thanks to Bernadette Kaiser and her volunteers from Christian Education. Thanks to the many generous donations from the committee members who made our Sundays more enjoyable, including the Pasenellis' delicious home-baked cookies. We served lemonade in the Bishop's Garden during the warm weather.

The Shrove Tuesday Pancake Supper was a big success. Participation was around 120 people. It was a great way to start Lent and there was fellowship and fun. Free will offerings more than covered costs.

In the spring, the Vestry implemented a plan to consolidate church committees. Our Evangelism Committee was changed to "Parish Life Ministry" and the evangelism functions were combined with Stewardship under Guy Patterson. Although most of the former Evangelism Committee members opposed this change, they have adjusted to it well.

Parish Life took on the responsibility and leadership for the food concession at the Memorial Day Arts Fest in May. We pulled it off with great effort. Participation, publicity, outreach, fellowship and fun were obtained in abundance. There were those who questioned whether the net income of

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\$2,000 was worth the cost and effort, however. The Vestry has been asked to decide the future of this event.

On June 5th, Duryea and Pat Cameron were honored at the Annual Parish Picnic. Attendance was so great (125+) we spilled out of Riverside Pavilion. In response to the increasing popularity, we will rent the larger Carousel Pavilion in 2006. After organizing seven of the last ten picnics, I was pleased to hand over the responsibility to Bernadette Kaiser.

Special thanks this year go to Judy Clemmer as St. Stephen's official Hospitality Chair. Judy prepared the excellent refreshments for the welcome reception for the new Dean in support of the transition committee. Parish Life functions would not be possible without her participation and generous support.

Foyer Groups were well received in 2005, thanks to the work of Barbara Gutekunst and Sharon Arnold, who volunteered for this event.

In accordance with Dean Pinder's suggestion that Chairpersons serve no more than three years, a new Chairperson for the Parish Life Ministry in 2006 will be identified.. I wish to extend my thanks to everyone who supported our efforts.

Respectfully submitted,
Ted Webber, Chair

ANNUAL REPORT OF THE CATHEDRAL CHOIR

Every year, right after Christmas when I sit down to write this contribution to the Cathedral's Annual Report, I have the opportunity to reflect on the many people that comprise our Cathedral family. I ponder about all who have experienced the worship life at St. Stephen's through the Cathedral's many worship services, concerts, weddings, and funerals. It is, no doubt, a staggering number to be sure. No less staggering is the power of God's love and grace.

As a child growing up at St. Stephen's, I came to learn the Word of God, not only through the weekly scripture readings and sermons, but also through the ministry of music during worship. Who hasn't recalled a great hymn or psalm at a difficult time in our life and sought solace in its meaning? Poet and composer take these 'Words' and add a piece of their own soul, giving depth and strength to the Word's meaning.

By being part of the ministry of music at St. Stephen's for the last 57 years, I have found great reward in bringing the word of God through the making of music, a significant component of Episcopal worship. I know that the members of the Cathedral Choir feel likewise. As corporate worship is part of God's Call to us, so the Cathedral's Music Ministry is part and parcel of God's Call to you and to me. The members of the Cathedral Choir have heeded that call. We all pray that you will prayerfully consider that as part of God's call to you as well.

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Soli Deo Gloia! To God be the Glory!

Respectfully submitted,
Michael H. Shoemaker
Minister of Music

OUTREACH COORDINATING COMMITTEE REPORT

The Outreach Committee continued its mission of sharing our gifts and serving those in need. Part of the committee's charge is to provide service opportunities for the parish. In that regard, opportunities and activities included Habitat for Humanity, CROP, Downtown Emergency Shelter, Downtown Daily Bread, and Helping Hands.

One of the primary responsibilities for the Outreach Committee in 2005 was continuing administration of the "Tithing Fund". The parish adopted a policy five years ago where a percentage of all unrestricted gifts to the Cathedral would be set aside for outreach ministry. Application for these funds is made to the Outreach Committee and evaluated according to established guidelines. Subsequent grant recommendations are approved by the Vestry.

For 2005, the Parish Nurse Program was funded out of the Tithing Fund. While this Vestry decision helped to ensure the continuity of this valuable program, it limited the amount of funds available for grants. The Outreach Committee prioritized grants from remaining Tithing Fund dollars and sought to expand its promotion of volunteer outreach opportunities. Two of the organizations granted funds in 2005 were:

Downtown Daily Bread (DDB): We are a participating church in this soup kitchen at the Pine Street Presbyterian Church. We provide ongoing funding and volunteers to support this ministry that serves over 100 people a day. Proceeds from this year's Great Pumpkin Chase 5K race also went to DDB.

Christ Lutheran Health Ministries: This Allison Hill (Harrisburg) based program for impoverished and homeless persons used these funds to purchase life sustaining prescription medications. The mittens and other clothing items on our angel tree were also donated here.

For 2006, the Tithing Fund will not be available as an outreach project funding source. The committee has begun to identify and discuss alternative ways to express the Cathedral's commitment to outreach in the community, nation, and the world, including the use of the proceeds from the Great Pumpkin Chase. We will keep the parish informed of emerging plans and welcome comments and ideas.

Respectfully submitted,

Betsy Howell
Bill Ilgenfritz

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Seeds of Faith -The Cathedral Bookstore ANNUAL REPORT

Significant Activities:

This has been a significant year for the Seeds of Faith Store. We moved from the old store to the Burns Conference Room, and we coordinated with the ministries of St Stephen's to have books available to members of the parish. We have strived to increase the store hours by being open Thursdays during Advent and Lent and during Vacation Bible School. We have sought to coordinate our resources with the Sunday School by developing a Resourcebook. We are displaying items for sale on a table during the Sunday Forum events. We revised the Seeds of Faith Volunteer Manual and implemented a Quickbooks Training Software Program. Staff completed entering inventory into Quickbooks software, developed computerized labels for all inventory, and prepared a map of the Seeds of Faith Store.

Financially this year, we saw a significant increase in parish-based sales. However, there was also a drastic decline in sales at the Diocesan Convention. The 2005 Convention was difficult for the Bookstore due to the amount of work that is involved and the limited amount of sales that occurred. Staff would like to thank the many parishioners who supported us in the weekly store sales and in raising funds for the parish through the Second Time Around Sale and Faith Through the Arts.

We joined the Episcopal Booksellers Association and have begun developing a mentoring relationship with Groton Books outside of Fort Washington, PA. We also developed a Bookstore Profile .evaluating the strengths and areas where growth is needed.

During 2005, we had a significant number of volunteers that we would like to thank: Donna Burkholder, Dave Clemens, Kathyann Corl, Marion Fluchere, Warren Gilliam, Barbara Gillette, Ralph Gillette, Susan Haimovich, Tom Leaman, Alice McNutt, Marianne Russell, Imogene Schofield, Lilia Schneider, and William Traister. Special Event Volunteers include Pat Cameron, Priscilla Dentler, Barb Gutekunst, John Howell, Jeanne Leaman, Gwen Long, Karl Martin, and Kara Zuck. Special Project Volunteers include Christen Robelen. PJ Shames, and Moses Abraham. Our Consultant is John Howell.

Future Activities:

In 2006 Seeds of Faith will be designating a Business Planning sub-committee. Seeds of Faith will need to work with the parish to go online in order to utilize and update Inventory Software more efficiently, to place orders and Track orders>Returns online, and update the Bookstore website directly from the Bookstore and check Bookstore emails. In 2006, Seeds of Faith anticipates enhancing and developing the relationship with Groton Books to give us business expertise and increase our current merchandise vendors. Staff is working with the Diocesan staff to be proactive in addressing Convention issues.

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ENVIRONMENTAL STEWARDSHIP COMMITTEE REPORT

During 2005, the Environmental Stewardship Committee examined its action items from the Cathedral's strategic plan and prioritized activities that would make appropriate use of available people and their skills, while connecting at the same time with other ongoing parish programs. Two members of the committee, John Dernbach and Jim Elliott, also serve on the Diocesan Care for Creation Commission. We have had one successful event involving both groups and look forward to further collaboration. Other members of our committee have been working with the Property Committee on energy conservation and efficiency. Future plans will focus on education programs for various groups and energy conservation.

Committee activities included:

- With the Diocesan Care for Creation Commission, we held an energy cost reduction workshop on Saturday, December 5, with approximately 80 people from Episcopal churches across the Diocese and other denominations in the local area attending to learn how to save energy. Andrew Rudin of the Interfaith Coalition on Energy was the featured speaker. Jim Elliott presented a Power Point slideshow about the Cathedral/School Green Building project.
- Sustainably grown and produced coffee (Bishops Blend) was introduced for Forum Coffee hour.
- Rev. Sandra Strauss, Pennsylvania Council of Churches, was the Earth Day Forum speaker on April 24th.
- A presentation on Energy Conservation was held on Spirit Day in September.
- Our work with St. Stephen's school on a variety of educational projects continued.

For this coming year, we will continue many of the efforts described above. In addition, we will consider holding another energy cost reduction workshop; creating a home curriculum on energy conservation and efficiency for families—for both the School and the Cathedral; and working with St. Stephen's School and the Property Committee on the bulk purchase of compact fluorescent lamps (energy-saving light bulbs).

Respectfully submitted,
Helen Delano
John Dernbach
Co-Chairs

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ALTAR GUILD REPORT

The service of the Altar Guild is to prepare the altar and sanctuary for all of the services offered at the Cathedral, which this past year totaled about 220.

These services include the regularly scheduled weekday and Sunday services, plus additional special services for feast days, funerals, weddings, and installations.

The Altar Guild consists of approximately twenty people. Four teams of volunteers serve one week per month, washing and polishing silver and brass, laundering and ironing linens, changing the hangings according to the church season, setting the table for the Holy Eucharist, and cleaning the area in the sanctuary and chancel.

Preparing the table for Holy Eucharist is a privilege. With love and devotion, the members quietly report to attend to the appointed tasks on their assigned week and volunteer to cover special services as needed. The dedication of the members who have been on the Altar Guild for years is unwavering. The commitment of the newest members of the guild is warmly welcomed.

Respectfully submitted,
Margaret Messner
Director of the Altar Guild

PROPERTY COMMITTEE ANNUAL REPORT

2005 was an exciting yet challenging and educational year for the Property & Facilities Ministry. This year brought "volunteerism" in its truest sense to the Property Committee and Facilities at St. Stephen's. We began our year down several staff positions but we pulled ourselves up by the boot straps and quickly managed to proceed day by day, one day at a time. Over the last year we secured several maintenance contracts that will keep our HVAC and steam systems working like a well oiled machine. Campbell's Cleaning Service came on board in late winter and they are doing a wonderful job answering all of our cleaning needs. In the fall, St. Stephen's School also hired Campbell's to clean the school. The John Diehl Memorial Clergy Sacristy was built and dedicated by fall, clean up days in the spring and fall were a resounding success, all smoke detectors in the Cathedral House and Parish House were replaced, a new refrigeration unit was added to the flower room and Common Roads became our tenant on the 3rd floor of the Chapter House. These are just a scant few of the things that have been accomplished in the year 2005.

2006 promises to be another interesting, exciting and challenging year. The Property Committee will be putting together a strategic plan for planned maintenance and upkeep of our buildings and grounds. Our goal is to undertake and complete maintenance projects on the grounds and in and around the buildings in order to preserve the integrity, beauty and quality of our Cathedral campus area. Projects such as additional lighting, re-plastering, painting, planting and much more will be included in our plan. The committee will also be working on a mission statement. I will continue to

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act as your property and facilities volunteer and continue to work with the Cathedral and School staff for the betterment of St. Stephen's Cathedral and St. Stephen's School.

The Property Committee has been consistent in numbers the entire year and I would like to thank the following committee members: Pat Cameron, Duryea Cameron, Guy Patterson, Marsali Hansen, Tom Long, Gene Schofield, Mort Hendrickson, Roy Knupp, Jim Elliott, Rick Seay, Carol Lopus and Don Murray. I would also like to thank all of the volunteers who responded to my pleas for help at our two clean up days! The fellowship, love and caring were wonderful and evident! All of these folks have worked very hard over the last year and I am very grateful for their hard work and support!

Faithfully Submitted,
Joan S. Esham

REPORT OF THE ARTS AND DRAMA COMMITTEE FOR 2005

The mission of the Arts and Drama Committee is to enhance spiritual life here at St. Stephen's, and to reach out to the community as well, through the visual arts, dance, drama, music, and literature.

During 2005, we pursued these traditional goals, while adapting to the fact that some traditional sources of funding for our mission are no longer viable in this era of strained Cathedral finances.

In April, the committee assisted in the presentation of a concert by the celebrated Harrisburg tenor, Christian Seay. The concert was open to the St. Stephen's community and to the public. The evening was made possible through the generosity of Warren and Dorothy Gillam. The committee provided some publicity, refreshments, and ushering. A free-will donation solicited from the audience went to the Cathedral's Capital Campaign.

Sales of the Cathedral purple t-shirts remained steady. We had a sales table at the parish picnic and at Spirit Day. This year we featured t-shirt purchases as one way that parishioners could help to fund the committee's annual Visiting Artist's Weekend.

On October 15, the committee sponsored a well-attended evening of "Russia by River," presented by Ted and Rosemary Webber and featuring photos, music, food, and artifacts from the Webbers' tour of Russia. One goal of this event also was to subsidize Visiting Artist's Weekend through a free-will donation.

Rich Swingle was our popular Visiting Artist for 2005, an actor whose specialty is drama and liturgy. Rich performed on October 30 at both of the services and at Forum. On Monday October 31, he presented two assemblies at St. Stephen's School.

St. Stephen's Episcopal Cathedral
Annual Report ~ For the Year Ending December 31, 2005

In 2006, the Arts and Drama Committee is looking forward to presenting opera bus trips once again, bringing other cultural events to the Cathedral, and continuing our tradition of Visiting Artists Weekend.

Respectfully submitted,

Ann Elliott, chair

REPORT OF THE COMMUNICATIONS COMMITTEE FOR 2005

The mission of the Communications Committee is to examine various modes of communication here at St. Stephen's, aiming for effective contact with all parishioners while using office time and staff in the most efficient way.

The committee was formed in September of 2005. Since that time, we have overseen the rewriting and the printing of the parish welcome brochure. Ample copies of the new brochure are now available for any parish purpose. The committee also provided study and input resulting in the newly streamlined Sunday bulletin and written announcements.

In 2006, the Communications Committee expects to examine the Messenger, website, narthex/tract rack, bulletin board, and signage, to see what we might suggest to accomplish clear and complete communication to all intended audiences, without redundancy, omissions, or waste.

Respectfully submitted,

Ann Elliott, chair

St. Stephen's Episcopal Cathedral
Annual Report of Revenues & Expenditures
As of December 31, 2005

	2004	2005	2006
	ACTUAL	ACTUAL	BUDGET
Pledges	415,673	450,445	461,400
Offerings and Gifts	35,710	148,575	26,900
Parish Fundraising	22,837	22,180	27,950
Church Programs	19,006	8,131	5,500
Reimbursements	49,566	41,001	59,300
Rents	8,980	10,005	18,000
Interest and Dividends	27,518	11,791	26,168
Total Operating Income	<u>579,290</u>	<u>692,128</u>	<u>625,218</u>
Salaries and Wages	243,281	163,927	176,485
Employee Benefits	76,580	52,595	68,456
Training, Travel, Search & Awards	12,726	7,385	9,355
Professional & Contract Services	38,678	30,131	49,717
Supplies	19,208	16,784	17,894
Communicatons	12,596	9,289	9,688
Repairs & Maintenance	23,168	38,648	35,774
Interest Expense	503	40,831	44,400
Other Expenditures	6,271	8,005	2,764
Program Costs	11,689	12,559	13,445
Fund Raising Costs	14,348	9,837	12,165
Utilities	83,341	70,392	88,304
Property Taxes	8,339	8,350	8,690
Diocese - Fair Share	106,662	111,679	116,666
Outside Contributions	7,575	4,846	5,500
Total Operating Expenses	<u>664,966</u>	<u>585,258</u>	<u>659,303</u>
Operating Surplus (Deficit)	(85,675)	106,870	(34,085)
Carry Forward from 2005			34,085
Net Operating Surplus (Deficit)	<u>(85,675)</u>	<u>106,870</u>	<u>-</u>
Unrestricted Bequests Received	7,494		
Restricted Gifts	3,412	21,749	
Capital Campaign/ Mort. Retirement	299,917	128,630	
Total Restricted Receipts	<u>310,823</u>	<u>150,379</u>	
Tithing Fund Disbursements	11,262	8,157	
Other Restricted Expenditures	5,201	289	
Construction Costs	307,006	42,744	
Total Restricted Funds Paid Out	<u>323,469</u>	<u>51,190</u>	
Grand Total Revenue	890,114	842,507	
Grand Total Expenditures	988,434	636,448	
Grand Total Rev. over (under) Exp.	<u>(98,321)</u>	<u>206,060</u>	
Debt Reduction		<u>361,608</u>	<u>165,000</u>

**St. Stephen's Cathedral
Balance Sheet
As of December 31, 2005**

ASSETS	2004	2005
Checking & Money Market Accounts	297,414	263,430
Mortgage Retirement Fund	175,216	60,309
Tithing Fund	73,740	62,617
Total Current Assets	546,370	386,356
Endowment Accounts Cathedral (at cost)	238,262	238,262
Endowment Accounts Designated (at cost)	39,106	39,106
Land, Buildings & Contents (insured value)	10,901,226	10,901,401
Total Fixed Assets	11,178,594	11,178,769
Total Assets	11,724,964	11,565,124
LIABILITIES AND NET ASSETS		
Taxes Withheld	4,237	3,538
Benefits Payable		3,714
Cathedral Committees	5,799	3,660
Outside Contributions Payable	5,174	1,535
Current Liabilities	15,210	12,447
Mortgage Payable Fulton	1,260,000	756,653
Loan Payable Diocese	8,261	150,000
Long Term Liabilities	1,268,261	906,653
Total Liabilities	1,283,471	919,100
Fund Balance	10,529,810	10,539,246
Current Surplus (Deficit)	(88,317)	106,778
Total Net Assets	10,441,493	10,646,024
Total Liabilities & Net Assets	11,724,964	11,565,124

1/20/2006

St. Stephen's Episcopal Cathedral **2005 Annual Meeting ~ January 30, 2005**

The Annual Parish Meeting was held in the Upper Croft and called to order by Father Mark Hatch at 10:42. He opened with an announcement explaining that the signing in of attendees to the meeting is required by the Canons of the Church. This practice had not been observed in previous annual parish meetings at St. Stephen's, and a few parish members had inquired about it prior to the start of this meeting.

Father Hatch appointed the Rev. Daphne Messersmith as Chaplain for the Annual Meeting, and she opened the meeting with a prayer.

Father Hatch appointed Greg Penny as Secretary *pro tem* for the Annual Meeting.

Father Hatch appointed Mary Jane Forbes-Schmidt as Senior Warden of the Vestry.

Father Hatch gave recognition to the four members of Vestry whose terms had ended -- Helen Delano, Gerry Garber, Rosemary Webber, and Craig Wilson. Daphne said a prayer of Thanksgiving.

Father Hatch asked the tellers to distribute ballots for both new Vestry Members of St. Stephen's and for Delegates and Alternate Delegates from St. Stephen's to the Annual Convention of the Diocese of Central Pennsylvania. The completed ballots were all collected by 10:57 a.m. to then be counted by the tellers.

Father Hatch presented the Annual Report, with an apology for overlooking the inclusion of the Report from the Arts and Drama Committee. This report would be made available later, after the Annual Meeting. In his remarks as Interim Dean, Father Hatch spoke of his experience as an interim rector of other parishes and commented that "spiritual life exists here" in St. Stephen's. He found it diffuse, however -- a lot of things were going on, but separate from each other. He is seeing a re-emergence of spiritual cohesion in St. Stephen's, with a sense of special purpose and shared mission. He sees people re-connecting. This is a positive trend, and he urged parishioners not to be afraid of receiving the Holy Spirit. If we allow the Holy Spirit to grow, everything else will be secondary. We are all in the same boat -- we rise and fall together. This is a fundamental truth of Christian Faith. Father Hatch encouraged parishioners to ask themselves, "What would this community lose if this place were closed?" Father Hatch acknowledged the financial challenges facing St. Stephen's, but said he has never seen a larger increase in giving (approaching 13%) as a result of the successful stewardship campaign in the fall. This period of time has also been difficult with cuts in staff, benefits and programs. The biggest challenge -- "the 800 pound gorilla" -- is the \$1 million debt from the building campaign. We are working hard to manage it, but his greatest fear is if this debt should become "structurally institutionalized and a finance burden for 20 years." He and the Vestry are trying to raise money in-house -- i.e., loans without interest in a program called "The Grace Period". The purpose is to significantly reduce the mortgage. Nearly \$200,000 had been pledged thus far. Through this program we have the potential to get away from deficit spending. Everyone in attendance was asked to consider this program. The church would stop asking for participation in this program by February 8th and sign the mortgage papers in mid-February.

Father Hatch offered the opportunity for committee chairpersons to speak. He mentioned that Sunday attendance in 2004 averaged 219, which is indicative of a small program-sized church. Helen Delano thanked volunteers for their help with coffee during the Sunday Adult Forums and encouraged others to sign up for the coming months. Father Hatch mentioned that "Bishops Blend" coffee is used during the Adult Forums, and our purchase of this coffee helps support Episcopal Relief and Development efforts around the world. Joan Esham announced that the combination locks at the back of the Parish House and the Chapter House will change starting January 31st, and she offered cards she had prepared with the new combination numbers on them. Regarding the Grace Period Program, Ed Seay asked if the loans would be repaid to beneficiaries if the lender should die, and he was assured by Father Hatch that they would be. Ed Seay also asked Father Hatch what has been his most difficult challenge since becoming the Interim Dean for St. Stephen's. Father Hatch replied that the elimination of staff positions and how that process unfolded -- something that he would do differently if he could do it over again -- was his most difficult experience in 14 years as an interim rector. Regarding custodial services for the Cathedral, Father Hatch announced that they would be contracted out until the new Dean arrives. The intent is for new staff -- including those who provide custodial services -- to be hired by the new Dean and thereby be accountable directly to the new Dean. Ed Seay also asked Father Hatch what has been the most fulfilling experience thus far in St. Stephen's, and Father Hatch responded that no one thing stands out -- that instead, fulfilling experiences have come in bits and pieces; in unexpected ways; often in small epiphanies, such as with moments of grace when visiting shut-ins, and during the Christmas Eve services, and the Wednesday morning services, and during the visit to St. John the Divine with the youth group in New York City.

Father Hatch called on Lee Van Valkenburg to recognize Paul Nickalls for his 23 years of service as Secretary to the Vestry. Lee praised his work and underscored the importance his timely and reliable record of Vestry meetings. Paul said that he had been “co-opted” by Dean Arnold Mintz while serving on the Vestry. Paul also said that he had found it very interesting over the years watching people come into the Vestry and grow and see their talents unfold. As for Craig Wilson, the outgoing Senior Warden, Paul praised him, saying “he is as good as they come.”

Will Everhardt presented the FY 2005 Budget, detailing \$643,319 in annual expenses, \$607,846 in annual income, and the need to use \$35,473 from Savings in order to balance the budget. Will repeated his assessment that we have “an income problem, not an expense problem,” at St. Stephen’s.

Treasurer Bill Davis reviewed the Balance Sheet information contained in the Annual Report covering actual revenues and expenditures for 2003 and 2004, and budgeted revenues and expenditures for 2005. Bill pointed out that the loans annually totalling \$96,000 for principal and interest will be a heavy load for the parish. Father Hatch commented that reducing the size of this loan (mortgage) will be the single greatest achievement with the budget. Father Hatch, in praising Bill Davis, also said that he would like to clone Bill and take him to his next parish.

Father Hatch, prior to announcing the results of the voting, explained that the Cathedral’s bylaws require seven nominees for four positions on Vestry, guaranteeing that three worthy candidates consequently will not be selected. He emphasized that all nominees are deeply valued and loved; and however the results of the voting turn out, there will be four elected to the Vestry and three whose calls are elsewhere in the parish. Father Hatch asked everyone to thank all seven nominees for running for Vestry.

Daphne led the assembly in prayer prior to announcing election results.

The results of the voting were announced by Father Hatch:

Any Benowitz and Jeanne Leaman were voted as Alternate Delegates to Diocesan Convention.

Anne Yellott, John-Paul Benowitz, Patrick Strohl, and Tom Leaman were voted as Delegates to Diocesan Convention.

Helen Delano, Michael Pasenelli, Linda Shorey, and Dr. Harry Webber were elected as new members of the Vestry.

Under New Business, Lee Van Valkenburgh thanked Father Hatch for his ministry at St. Stephen’s, Joan Esham offered a sketch of the St. Stephen’s campus that had been created with the help of Duryea Cameron, and Father Hatch thanked Judy Clemmer for the meal following the Annual Meeting.

Daphne closed the Annual Parish Meeting with a prayer, and the meeting adjourned at 11:53 a.m.

Recorded by: Greg Penny
Secretary

**ST. STEPHEN'S EPISCOPAL CATHEDRAL
2006 ANNUAL MEETING – January 29, 2006**

- 1. Opening Prayer**
- 2. Appointment of Chaplain**
- 3. Appointment of the Secretary *Pro Tem***
- 4. Appointment of the Senior Warden for 2006**
- 5. Balloting for Vestry Members and Convention Delegates/Alternate Delegates**
- 6. Special Order and Prayer—Recognition of Vestry members whose terms has ended**
- 7. Presentation of the Annual Report and Dean's Remarks**
- 8. Special Order and Offering of Thanks
– Recognition of Pat Pursell, Newcomer Ministry**
- 9. Presentation of the FY 2006 Budget and Cathedral Balance Sheet**
- 10. Prayer and Election Results**
- 11. New Business**
- 12. Closing Prayer and Adjournment**