



Vestry Minutes

December 5, 2016

Attendees: David Abbott, David Barr, Andrew Britton, Neil Burris, Amy Davis, Jack Denman, Tamra d'Estrée, Suni Devitt, Leigh Grinstead, Mary Frances Kelley, Tom Keyse, Mike McCall, Jane Schumaker, Elizabeth Springer, Ron Pogue, Evelyn Hornaday, Charles LaFond, Becky Beall-Moore, Kim McPherson

Absent: Ned Rule, Seth Reese, Stephen Tappe

Guest: Jill Korenek, JDS Professional Group (SJC's auditors)

Call to Order: 6:05 PM, Ron Pogue led the discernment prayers.

Summary of Actions Taken and Consent Agenda Items:

- The Vestry expressed its thanks to the Stewardship and Events Committees for their hard work on a much improved and largely successful 2016 campaign.
- Approved the "Resolution of the Unanimous Written Consent of the non-profit corporation of Saint John's Church in the Wilderness" and the "Promissory Note" with the City and County of Denver for the Learning Garden.
- Approved a motion approved to look at the possibility of selling both oil and gas mineral interests in Weld County, Colorado, to establish the value of these two mineral interests, and market them for sale.
- Approved a motion to state that staff gifts come from the Dean, the Wardens, and the Vestry.
- Approved the minutes of the November 14, 2016 Vestry meeting.
- Approved the minutes of the November 14, 2016 Executive Session Vestry meeting.

Auditor's Report: Jill Korenek of JDS Professional Group reported that the audit of Saint John's financial statements was unqualified except for the usual statement regarding the lack of an historic cost basis for the Cathedral complex and equipment. There were no non-compliance notes or audit adjustments made. The audit engagement letter for next year has been signed. Refer also to the Audit Committee's report in the November 14, 2016 minutes.

Check-in: Tom Keyse called for a gut check on how everyone was doing.

Stewardship: Charles LaFond reported that he expects to close the \$200,000 gap between currently received pledges and the pledge goal by the end of the year. He will be preparing a SWOT (Strengths, Weaknesses, Opportunities, and Threats) report for this year's stewardship campaign and will ask the Vestry for their comments.



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Update on the Dean Search: Tom Keyse reported that he was deeply involved in the early work of the Interview Committee as the questions to be asked and characteristics to be sought were developed. He was very impressed in how well the committee worked together. Tom has been less involved in the actual interviews. Reports to the committee on two candidate site visits were made in the last week. The remaining candidate site visits will be made in the next two weeks. The committee continues to work very well together bringing together a diverse group to achieve an important goal.

Learning Garden: Elizabeth Springer described the “Resolution of the Unanimous Written Consent of the non-profit corporation of Saint John’s Church in the Wilderness” and the “Promissory Note” with the City and County of Denver for the Learning Garden found on pdf pages 16 and 17 of the December Vestry packet. A motion was made, seconded, and unanimously approved to approve the Resolution and Promissory Note.

Oil and Gas Leases Sale: Tom Keyse reported that preliminary indications are that the two Weld County oil and gas tracts in which the Cathedral owns a mineral interest are worth at least \$400,000. Although one of these tracts is currently under lease, this fact does not prevent its sale. A motion was made, seconded, and unanimously approved to look at the possibility of selling both oil and gas mineral interests in Weld County, Colorado, to establish the value of these two mineral interests, and market them for sale.

Gifts: Ron Pogue noted that he intends to provide the staff with gifts during the staff holiday party next week. He would like to say that the gifts come from the Dean, the Wardens, and the Vestry. Those Vestry members who would like to donate to the kitty for this should let Ron know. A motion was made, seconded, and passed unanimously to state that the gifts come from the Dean, the Wardens, and the Vestry.

Capital Maintenance and Debt Reduction: Andrew Britton presented a draft of three proposed action items to deal with the Debt Reduction and Capital Maintenance and Repairs issues that had been discussed with the Finance Committee. The three proposed action items are:

1. Debt repayment: approve a special draw from the Endowment Fund to pay off the line of credit and internal borrowings from various Cathedral funds up to a maximum of \$2.1 million. The line of credit would be reduced from \$5 million to \$500,000, which provides a flexible amount for working capital. That \$500K line of credit would be closed in a year or two.
2. Maintenance and Repairs: approve a 3-year phased special Endowment Fund draw to cover needed repairs and maintenance over a manageable period for project management.
3. Reduce the annual draw from the Endowment Fund for operating expenses from 5% per year to 4% per year, the percentage to be calculated on investment fund assets only. The 5%



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draw would be maintained for three years (2017, 2018, and 2019) and then be stepped down by 0.25% per year over four years to reach the 4% draw goal in 2023 and beyond. A related spreadsheet was included on page 18 of the Vestry packet.

The impact of adoption of these proposals would be:

1. Cleaning the debt slate by the time a new Dean arrives.
2. Assist the congregation in understanding the need for a potential capital campaign to be launched in a year or two.

Discussion of the details of these motions resulted in Andrew being asked to revise them for the December 12th meeting. Andrew will also revise the draft Guiding Principles for Endowment Fund Use for the December 12th meeting. These Guiding Principles are to incorporate the following concepts: operate on a balanced or surplus budget, don't defer maintenance, reduce the Endowment Fund draw for the operating budget to 0% and use the income from the Endowment solely for capital maintenance.

Outreach Report: Evelyn Hornaday has been working on the organization of the proposed outreach oversight umbrella organization—various names for the organization have been proposed but not adopted. The goal of this organization is to facilitate and coordinate the various service and ministry efforts at Saint John's. It will not be a policy setting organization. It is to provide a broad framework that enables efficient planning and scheduling of current ministry activities, and to provide a process whereby new ideas and opportunities can be discussed and recommended to the Vestry as appropriate. It will take about 3 months to fully organize and initiate an active organization. Potential members are being considered.

As an example of the sorts of requests regularly received by the Cathedral, Evelyn distributed a draft Faith Leaders Support letter that urges the Denver City Council to reverse the current camping ban that adversely affects many of Denver's homeless. The Vestry quickly recognized that this is a complex issue and that answers to a number of questions were required before the Cathedral could decide whether to sign the letter or not. This is the sort of request that the proposed Outreach Oversight program should consider.

Evelyn and Amy Davis will prepare a presentation on the Outreach Oversight program for the Vestry for the February meeting.

Interim Dean's Report: Ron Pogue noted that he had received a number of requests from newcomers about formally becoming Episcopalians. While attendance at the Catechumenate is the preferred method of doing so, Ron has scheduled two weekend sessions that would allow the participants in one of the weekends to be presented to the Bishop for baptism, confirmation, and/or reception as needed. The weekends are February 10-12 and April 28-30. Ron will post a calendar asking which members of the Vestry would be available to participate in one of these weekends.



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There will also be calendar passed around the Vestry so that some members can sign up for each of the Newcomer's receptions.

Treasurer's Report: Mary Frances Kelley referred the Vestry to the information in the Vestry packet for the meeting and pdf page 22 that describes the various funds maintained by the Cathedral and the revenue and expense items.

Becky Beall-Moore is close to being able to close the books on a month within the first week of the following month, which is in time for the Finance Committee meeting on the second Monday of the month. It would then make sense to move the Vestry meetings from the second to the third Monday of the month so that current financial information would be available. This scheduled date change will begin in February.

Personnel Report: Jane Schumaker referred the Vestry to her report on pdf page 19 of the Vestry packet. The benefits and compensation issues discussed during last month's executive session are largely resolved. The Employee Handbook needs only a few changes before it can be finalized.

Grants Committee: Amy Davis reported that the Grants Committee selected 8 organizations dealing with hunger and homelessness in the Capital Hill area as the recipients of this year's grants.

Nominating Committee: David Abbott reported that he had the names of 8 or 9 men and 8 or 9 women who could be potential Vestry nominees. Names of potential candidates can be submitted by congregation members until December 15th. The current list looks good and several people on the list have been endorsed by two or more people. The current list will be sent to Ron Pogue to check their membership in good standing status to facilitate this review.

Gifts and Planning Processes Update: Neil Burris continues to work on this process and hopes to have a draft to submit to all interested parties by the end of the year.

Buildings & Grounds: Suni Devitt reported that:

- Closing on the Dahlia Street house is scheduled for Wednesday. Aimee Daigle, Perry Beaton, Judi Taubman, and Kris Stoeber deserve special thanks for the time they spend sprucing up the yard of the house for sale.
- Parish Hall elevator: the contractor initially selected for this work suddenly came up with a list of additional recommended work. The agreement with this contractor was terminated and another is being sought.

Clergy/Staff Reports: none

Senior Warden's Report: none



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Consent Agenda:

- Approved the minutes of the November 14, 2016 Vestry meeting.
- Approved the minutes of the November 14, 2016 Executive Session Vestry meeting.

Future Vestry Meetings:

- Monday, December 12th complete work on the Debt Reduction and Capital Maintenance proposals
- Monday, January 9, 2017: 2017 budget approval
- Tuesday, January 17th, hand-off meeting between the Search Interview Committee and the Vestry
- Sunday, January 29th, Annual Parish Meeting

Closing Prayer: Charles LaFond

Adjourn: 9:23 PM