



Vestry Minutes

January 17, 2017

Meeting held in the Diocesan Center Conference Room

Attendees: David Abbott, David Barr, Andrew Britton, Neil Burris (via electronic connection), Amy Davis, Jack Denman, Tamra d'Estrée, Suni Devitt, Leigh Grinstead, Mary Frances Kelley, Tom Keyse, Mike McCall, Ned Rule, Jane Schumaker, Elizabeth Springer, Ron Pogue, Becky Beall-Moore

Absent: Evelyn Hornaday, Charles LaFond, Kim McPherson, Stephen Tappe

Call to Order: 5:53 PM

Summary of Action Taken:

- The Gift Acceptance Policy was unanimously approved.
- The three motions on Debt Repayment and Buildings & Grounds Maintenance, approved initially by unanimous vote of the Vestry and Interim Dean at the December 12, 2016 Vestry Meeting, were unanimously approved by the Vestry and Interim Dean with an Amendment to item 3 regarding the annual draw percentage for the operating budget. The final text of the adopted motions is attached to these minutes.

Action Items:

Gift Acceptance Policy: Mary Francis Kelly and Neil Burris had the proposed Gift Acceptance Policy included in the Vestry Packet for this meeting. A motion was made and seconded to approve the Policy as presented and it was unanimously approved. There was discussion about the flow chart that had accompanied earlier drafts and discussions of the proposed policy. Because the flow chart will be used for a variety of decision making at Saint John's, not just gift acceptance, the chart is not included in the Gift Acceptance Policy. Neil Burris will have a revised vision of the flow chart for the February meeting.

Approval of Three Motions on Debt Repayment and Buildings & Grounds Maintenance, with Amendment to item 3 regarding the annual draw percentage for the operating budget: Andrew Britton presented the revised text of his motion #3 regarding the annual draw percentage for the operating budget for the Debt Repayment and Buildings & Grounds Maintenance and Repairs. The original three motions were previously approved by unanimous vote of the Vestry and Interim Dean at the December 12, 2016 Vestry meeting, and were to be voted on a second time per the Endowment Policy, following consideration of feedback from the Investment Committee, the Finance Committee and the congregation which took place at the Vestry's January 9, 2017 meeting and again at this meeting. A motion was made and seconded to approve the three motions, including the Amendment; it passed unanimously by vote of the Vestry and the Interim Dean. The final text of the adopted motions is attached to these minutes.

2017 Budget: Becky Beall-Moore distributed a spreadsheet of the proposed 2017 Budget that assumes the budget has been balanced by the current pledge campaign. This budget is for informational purposes only. Ron Pogue reported that as of 1/17/2017 \$253K of the \$350K needed to balance the budget has been raised.



Adjourn: 6:14 PM to go into the Dean search candidate finalists' handoff meeting with the Dean Search Interview Committee.

Dean Search Candidate Finalists' Handoff Meeting with the Dean Search Interview Committee

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Attendees:

Vestry: David Abbott, David Barr, Andrew Britton, Neil Burris (via electronic connection), Amy Davis, Jack Denman, Tamra d'Estrée, Suni Devitt, Leigh Grinstead, Mary Frances Kelley, Tom Keyse, Mike McCall, Ned Rule, Jane Schumaker, Elizabeth Springer

Dean Search Interview Committee: Lise Barbour, Diane Barrett, (Jack Denman, Vestry liaison), Jack Finlaw, Heidi Harris, John Lake, Carolyn McCormick, Jay Swope, and Michael Vente; Absent: Jim East

Diocesan Coordinator: Anne Flemming

Call to Order: 6:18 PM, Ron Pogue led the opening prayer, then left.

The Dean Search Interview Committee's members reviewed their activities since their kick-off in May 2016. These included the posting of the position with Office of Transition Ministry, the review of all applications submitted, selection of candidates for an approximately 75-minute Skype interview, the selection of candidates to be visited in their home churches, making those visits, and the identification of the unanimously endorsed finalists for recommendation to the Vestry. The 3-person teams who made home church visits consisted of one member who was a strong supporter of the candidate, one member who was skeptical about the candidate prior to the visit, and one member who was neutral about the candidate. These teams reported on their home church visits and on the perceived strengths and weaknesses of each candidate. Vestry members asked questions of each team. Following the conclusion of the presentations on the recommended candidates, the Dean Search Interview Committee left. The Vestry and Anne Flemming then discussed the process going forward. The Vestry will be receiving a variety of additional documents and information about the candidates as the review process continues.

Information about candidates' names, etc. is to be **maintained on a strictly confidential basis** within the Vestry.

Adjourn: 9:00 PM, Jack Denman closing prayer



DEBT REPAYMENT and BUILDINGS & GROUNDS MAINTENANCE AND REPAIRS- MODIFIED MOTIONS FOR VESTRY MEETINGS 01/09/17 AND 01/17/17

The motions proposed herein are based upon research and represent significant and prayerful deliberation and conversation by the Vestry over the past year. As with any plan that runs multiple years, it should be regularly reviewed. In this instance, it is recommended that Finance Committee review the progress and report to Vestry at least annually and recommend any adjustments necessary based upon new circumstances.

1. Motion regarding debt repayment (Starts 2017: occurs over one year):

- a) Approve a special draw (in addition to the annual 5% draw used for operating expenses) from the SJC Endowment Fund up to a maximum special draw of \$2,100,000. Proceeds are to be calculated to payoff entire balance on line of credit, payoff internal fund transfers, and provide working capital for operations. Transaction to be completed no later than later than 1/31/17.
- b) Approve a reduction in line of credit from \$5,000,000 to \$500,000 effective immediately upon repayment of outstanding balance on line of credit in (a) above and no later than 1/31/17.
- c) Approve renewal of \$500,000 line of credit and spending authority on that line of credit through 12/31/17. The line of credit to be repaid in full no later than 1/31/18. Line of credit should revolve during year as it is for timing purposes and not for permanent borrowing.

2. Motion regarding funding for buildings & grounds maintenance and repairs (Starts 2017: occurs over next four years but no later than 12/31/20):

- a) Approve maximum special draw of \$2,000,000 from SJC Endowment Fund to fund critical repairs and maintenance of the Cathedral Buildings & Grounds. Draw to occur no later than 6/30/17. This amount includes funds previously approved of \$353,000 for immediate capital maintenance approved during the October 2016 Vestry meeting.

It is noted for this section 2; the motion only approves the draw from the SJC Endowment Fund. All other necessary approvals are to be obtained prior to expenditures per standard SJC Budget Process and Procedures. Funds will be expended based on actual work to be completed, documented through the annual budgeting process, monitored through finance committee, and reported to Vestry by Finance and Buildings & Grounds.

3. Motion regarding annual draw percentage for operating budget (Starts 2017):

- a) Continue the existing 5% draw calculation (based upon 13 rolling quarters) on entire endowment fund balance for the next 3 years (2017, 2018, 2019). The 5% draw calculation is based upon the overall Endowment Fund and the actual percentage allocated to each component may be different.
- b) In order to reduce reliance on the Endowment Fund to support and fund operations and to be prudent and consistent with current market knowledge on the appropriate percentage to draw, the annual percentage rate drawn will be reduced beginning with the 2020 annual budget. Therefore, effective with the 2020 annual budget, the annual draw percentage on the entire endowment fund balance is to be reduced by a minimum of 1/4% (.25%) per year until the draw percentage equals 4%. Thus, the maximum draw percentage is 5% through 2019, 4.75% for 2020, 4.5% for 2021, 4.25% for 2022, and 4% for 2023 and beyond.



- c) Beginning in 2018, the calculation of the draw percentage will change to be based only upon assets in the Investment Fund plus any interest-bearing notes/obligations held in the Endowment Fund. The draw percentage on any interest-bearing note/obligation shall be the lesser of the interest rate paid on the note/obligation or the draw percentage for the Investment Fund (i.e. 4% as of 2023). To be eligible for inclusion in the draw calculation, any note/obligation must be current and interest payments received at least quarterly. Assets such as houses and other non-income producing assets will not be used in draw calculations and only liquid, marketable securities/cash and interest bearing notes/obligations will be used from 2018 forward.