



# ST JOHN'S CATHEDRAL

## Vestry Meeting Minutes

June 14, 2020

4-6 PM, Held via Zoom Conference Call

**Attendees:** Jennifer Allen, Thomas Barbour, Audrey Chapman, Kathleen De Mars, Elizabeth Drummond, Broderick Greer, Leigh Grinstead, Michael Koechner, Richard Lawson, Toya Nelson, Meg Parish, Robin Paulson, Ilana Poley, Helen Richards, Shirley Traettino, David Rote, Angie Thomson, Michael Vente, Mark Wherry

**Absent:** Katie Pearson, Bryant Harris

**Guests:** Chuck Thompson, Chair of St John's Audit Committee, attending via Zoom, and John Smith, Founding Partner, JDS Professional Group, attending by phone.

### Summary of actions taken:

- Approved the Reports of the 2019 Audit
- Approved the Finance Committee Recommendation to not accept the Gorman Letter of Intent (LOI) to purchase the Kimberly
- Approved Minutes from the May 17, 2020 Vestry Meeting

**1. Call to Order/Opening Prayer** - Leigh Grinstead and Richard Lawson – 4:00 PM Richard opened the meeting with a prayer.

**2. Introduction of Guests** – Chuck Thompson, Audit Committee Chair, John Smith, Partner at JDS Professional Group – Richard and Leigh introduced Chuck and John, thanking them for attending, and noting their important work on the 2019 Audit. (See Agenda Action Item #4.)

**3. Check – In** – Richard Lawson, Leigh Grinstead. ***Together We Join Our Voices.*** A Statement from the Bishops of the Episcopal Church, ELCA (Lutheran), and Methodist Church of Colorado – Richard described the Community Prayer Vigil hosted in unity by the three denominations in support of the demonstrations for Racial Justice occurring throughout the city of Denver and Colorado. About 250-300 People met at the steps of the Cathedral, and marched in unison and in prayer, from the Cathedral to the Colorado State Capitol, then to the local Police Precinct, and then returned to the Cathedral. At each location the Bishops joined in reciting “Together We Join Our Voices”, and kneeling for 8:46 minutes, in solidarity against social injustice and police brutality. The group returned to the Cathedral to recite the Lord’s Prayer, a very moving and powerful message in support of human rights, social and racial justice and police reform. Richard and Leigh led a recitation of the Bishops’ ***Together We Join Our Voices*** message.



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**4. Audit Reports and the Audit Committee Report – Action Item** - Richard introduced Audit Committee Chair Chuck Thompson to present the Audit Committee Report. (The detailed Audit Committee Report and JDS Consolidated Reports of: 1) St John's 2019 Financial Statements, 2) JDS Audit Opinion, and 3) JDS Independent Auditor's Report are included in the Vestry Packet.) Chuck Thompson presented the following Audit Committee Report:

The Audit Committee (Chuck Thompson, Tom Barrett and Jay Swope) met on June 4, 2020 with Audrey Chapman, and Auditors JDS Professional Group to review the detailed auditor reports.

Chuck offered the following introductory and summary comments:

- The Cathedral is in an excellent financial condition. Last year was a good year for endowment funds returns, understanding that investment returns for 2020 will be more volatile, with less certainty in future market returns.
- Significant achievements for 2019 include a 10% increase in Pledges, coupled with effective Vestry and staff expense control measures, thereby achieving a sound financial foundation for entering 2020.
- The Auditor's opinion contains a qualification, which is consistent with the opinions of prior years, regarding accounting for fixed assets and recording depreciation. The Audit Committee does not recommend a change to the existing accounting practice.
- Note 12 has been added to the financial statements which outlines the policies regarding bequests and lists major bequests received in 2019.
- Finally, Audrey recommends, and the Committee concurs, that JDS be engaged to conduct the 2020 audit.

John Smith of JDS Group made the following overall comments:

- JDS received full cooperation of committee and staff throughout the audit process, including efficient communications, responsiveness and completion of staff responsibilities during the engagement.
- John agrees with the Committee report that despite the differences in characterization of adjustments, there are no significant weaknesses in internal controls, and the Church is in fine financial condition.
- Financial reporting systems and internal controls are handled professionally and on a sound basis.

**ACTION:** Leigh Grinstead moved to accept the Audit Committee report and concurring recommendation of Committee and staff to engage JDS Professional Group to conduct the 2020 Audit. **Motion passed unanimously.**



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Leigh, Kathleen DeMars and the Vestry commended work of Chuck Thompson, the audit Committee and staff, and thanked everyone for their excellent work. Ilana Poley asked about the tenure of JDS as the Church's auditor. (Audrey noted that this firm has been the auditor for 5 years.)

**5. Dean's Report** - Richard Lawson – Dean Richard noted that Vestry members and parishioners are encouraged to subscribe to ***The Cathedral Voice*** for more substantive review of very serious issues facing all of us today.

- Against White Supremacy – For Divine Love: Richard noted that last week Canon Broderick participated in recent discussions, hosted by BBC's No Justice, No Peace: Religion and Protest, to discuss the role that churches have in the fight for racial justice, noting that we must be clear about where we stand on issues of evil and injustice. Michael commended Richard for taking a tough stand on these agonizing issues. Broderick commended Tina Clark's work over the past 1 ½ years on preparing the community for the discussion of these difficult topics. ***The Voice*** contains an article "A multigenerational Summer Study on White Supremacy and Racial Injustice." Tina Clark's resource guide is very helpful.
  - Summer at the Cathedral/Season II Update – Richard noted the Season II update, also summarized in ***The Voice***. The regathering plan allows 50 or fewer people for outdoor burials, marriages and baptisms, but does not allow the celebration of the Eucharist in Season II.
  - Major Buildings Projects Report – Michael reported that clean up on the grounds has been very difficult. Homeless camping has now moved to 14<sup>th</sup> Ave and to Morey School. Richard reported on major building projects:
    - a. Bid for total HVAC overhaul of the entire Cathedral is underway. This will make the Cathedral greener, and will improve air flow throughout, especially the nursery.
    - b. Bid for restoration of the Stained Glass windows in the Nave and St Martin's Chapel is also underway.
    - c. Roberts Building – discussion is underway with the Bishop regarding the future use of the building, and a long term plan to renovate the Building. The Bishop is interested in exploring the vision, scope, costs, and related issues. Study of the renovation, scope, financing and shared space use issues are under review.
    - d. Mark provided an update on the Sidewalk project. The three-week permitting process is underway, with ground-breaking to follow. The project is on track and on target.
- 6. Senior Warden's Report** – Leigh Grinstead reported on the following issues.
- a. Document Retention - Group leaders, leaders of ministries and leaders of planning initiatives are reminded to gather and retain documents to give to the Cathedral archives.
  - b. Mutual Ministry Review Introduction - Michael and Leigh are working on a brief *staff assessment survey* to capture the following information: 1) Do you believe there are



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hard things we are not saying or sharing with one another? 2) Are we supporting one another, and how can we better support one another? Michael noted that all responses will be anonymous, and survey results will be aggregated to assess themes that will guide analysis, organizational development and follow up.

- c. Vestry "First Year Class" Orientation – New Vestry members are invited to get together for a small group discussion to review any questions or information items they may want to discuss. Leigh will reach out to the first class and see if they are interested in meeting.
- 7. Junior Warden's Report** – Michael Vente – Pride Month Activities – Michael noted the Cathedral's active participation and strong support for Pride Month activities. Although the in-person parade has been cancelled, the Cathedral is participating in community activities, including preparing two videos to air during Pride Weekend and the *Virtual Pride Parade* on June 21. Michael thanked Broderick for his vision and support of these community activities.
- 8. Director of Operations** – Audrey Chapman
- a. Audrey noted that in light of COVID-19, the Finance Committee is receiving monthly updates of Pledge, Non-Pledge and Plate revenues and expenses.
  - b. Detailed YTD Revenue, Expense reports, and 2019 – 2020 comparisons are summarized on pages, 46, 47, 48 in the Vestry Packet. Of note: 1) on-line gifts are way up, pg.47; 2) 2020 Pledge revenues are 'ahead' of 2019 because of a 2019 pledge reported in 2020, pg. 46, and, 3) operating revenues and expenses notes, pg. 48.
  - c. COVID-19 related expense and revenue changes, YTD, are summarized on pg. 48.
  - d. Audrey introduced the **DRAFT 5 Year Plan** to be used in developing the 2021 Budget. Planning assumptions include endowment draws, reductions of 10% in Plate, Non-Plate and Pledge revenue amounts, and a possible \$308,000 deficit. All departments will be asked to submit 20% budget cuts in their 2021 budget plans.
- 9. Treasurer/DO Report – Action Item** -Tom Barbour/Audrey Chapman
- a. Kimberly LOI and Finance Committee Recommendation – Tom Barbour and Audrey introduced the Finance Committee Recommendation to **not** accept the LOI received from Gorman & Co (Gorman) on Monday, June 8, 2020. The LOI proposes an outright purchase of the Kimberly for \$4, 000,000. The Vestry Packet includes detailed background on this complex issue. Considerable discussion on the recommendation followed.
    - i. Tom noted that the Finance Committee vote to not accept the outright purchase LOI was a close 5-4 vote.
    - ii. Those opposed to the LOI noted that the LOI represents only a small, single-issue portion of a complex, multi-faceted project that included a broad-based vision for a comprehensive development plan. Their rationale:
      1. The offer comes without the property appraisal, which is due soon.



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2. The offer devalues the property by carving out a portion to be sold, leaving the remaining property undervalued, with an uncertain plan for the future scope, vision and goals for the remaining parcel.
  3. The offer seems to have come at the last minute, with a very short deadline, without consideration for the upcoming appraisal or the extensive negotiations on a more complex project. The LOI offer does not achieve the Cathedral's long-range, comprehensive development plan for the property.
  4. By selling the Kimberly parcel only, the Cathedral will lose its capacity to achieve long-term goals with the remaining property in the future.
- iii. Those in favor of accepting the LOI offer note that by not selling, the Cathedral will likely incur extensive Kimberly repair and maintenance costs, including a new roof and new furnace.
1. Given an uncertain future, a sale will get the Cathedral out of the apartment leasing business.
  2. Gorman has been a trusted partner and other development and long range vision and goals may still be achievable, even if Gorman develops the Kimberly separately.
  3. Other big financial and investment decisions are on the horizon. Getting this project moving forward, even as a partial, first step, gives the Cathedral the opportunity to address other forthcoming complex financial decisions.

**Action:** Michael Vente moved to accept the Finance Committee Recommendation to not accept the Gorman LOI to purchase the Kimberly for \$4,000,000. Michael Koehner seconded the motion. Following additional discussion the vote was taken via Zoom balloting. **Audrey reported that the motion passed.**

### 10. Other Clergy Reports –

- a. Broderick reported that Rev. Yoimel Gonzalez Hernandez, Associate Rector for St Alben's Episcopal Church, Washington, DC, has been invited to attend the August Vestry Meeting to make a presentation, provide information and discussion of our *LatinX* ministry.
- b. Richard presented Katie Pearson's report in her absence.
  - i. Baptisms, funerals and weddings are now being held under Season II guidelines. The first committal service will be held on Monday, June 22 on All Soul's Walk.
  - ii. With the opening of Season II we are now able to launch in-person gatherings of "Community without a Commute" for gatherings of 10 or fewer. These gatherings can be fellowship, worship, or a combination. Social distancing guidelines are to be followed, masks must be worn. If interested please contact Helen Richards to volunteer as a host.



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- iii. Virtual coffee was a success. The next session, with breakout rooms, will be held June 28 at 11 AM.
- iv. Stewardship of Relationship – Please contact Katie by e-mail to sign up to make volunteer calls. Each volunteer is asked to make 10-12 relationship calls, and a script will be provided. These are one-time only calls, an important outreach to parishioners.

**11. Nominating Committee Report** - Elizabeth Springer – The committee met on June 9<sup>th</sup> to continue discussions on potential delegates for the annual diocesan convention and candidates for the Vestry election in January, 2021. The Committee will host one or more Zoom information meetings to reach out to members who may interested in joining the Vestry.

**12. Information –**

- a. Minutes, Finance Committee Meeting, May 12, 2020
- b. Nominating Committee Report, June 9, 2020
- c. Audit Reports and Audit Committee Report

**13. Consent Agenda: Action Item**

- a. Minutes, Vestry Meeting, May 17, 2020. **Motion to approve the Consent Agenda passed.**

**14. Prayers – The meeting was adjourned at 6:25 PM.** – Richard offered prayers at the adjournment of the meeting.