



ST JOHN'S CATHEDRAL

Vestry Meeting Minutes

November 17, 2020, 5:15 - 6:30 PM

Held via Zoom Conference Call

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

Summary of Actions Taken:

- **Approved** 2021 Endowment Draw of \$1,013,479 as recommended by both the Investment Committee and the Finance Committee.
 - **Approved** motion to authorize PPP loan forgiveness funds in the amount needed to balance the 2021 Budget.
 - **Approved** Consent Agenda – Vestry Meeting Minutes, October 18, 2020
1. **Call to Order/Opening Prayer** – Leigh Grinstead/Richard Lawson – Leigh opened the meeting with a prayer of love and joy for the Thanksgiving Season.
 2. **Dean's Report** – Richard Lawson
 - a. Boy Scouts – Richard reported that, as directed by the Bishop's Chancellor, all Parishes and Dioceses, including the Cathedral, have filed a "Proof of Claim" to protect against possible lawsuits brought by victim(s) of sexual abuse by the Boy Scouts. The Cathedral has been asked to review archives since 1940 to identify any possible sponsorship or relationship with Boy Scout activities held at the Church. This reviewed found a very limited relationship with the Scouts. If a lawsuit is filed it is possible that the suit could include naming the parish, if abuse occurred in the parish building where Boy Scouts met. If a suit results in a financial settlement the "Proof of Claim" allows the Church to then bring a claim against the Boy Scouts of America to cover the financial obligation. There is no indication that there is a claim or case against the Cathedral, and no indication that the Cathedral sponsored Boy Scout troops or had any official partnership with the Scouts, other than a very minor, limited relationship. Richard thanked the Cathedral archivist for conducting the archival review in time to meet the November 16, 2020 filing deadline.
 - b. Christmas Eve and Christmas Day Times and Services - Christmas Eve Services will be live – streamed at 1:00 PM and at 5:00 PM. In-Person Communion will be held on Christmas Day at 10-11 AM. Services and times will be announced in the weekly *Voice* and at weekly services between now and Christmas. RMPBS will broadcast "Carols at the Cathedral" at 8:00 PM on Christmas Eve, and 4:30 PM Christmas Day.
 - c. Stewardship Report – The Stewardship Campaign activities and follow up contacts are on target. Follow-up emails are planned to be sent to 190 who have pledged in 2020 and not



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yet pledged for 2021. Personal phone calls will follow after 2 personalized e-mails. Pledge calls will be completed before the second round of pastoral Phone Tree calls begin. Pastoral calls are not intended to conflict with Stewardship contacts. Richard also noted that the phone tree contacts are going well in meeting the pastoral needs of the parishioners.

3. Senior Warden's Report - Leigh Grinstead

- a. Task Force Update - Leigh introduced the *SJC Futures Planning Task Force* Charge to "...establish (qualitative/quantitative) measureable outcomes to contribute to the ongoing development of the 5 year fiscal planning process. The task force groups will focus on four key issue areas:
 - i. Research and discuss – are there more dynamic, quicker ways to enlarge the Endowment?
 - ii. Document financial requirements for the Cathedral to enter into any relationship with a partner to be housed in the Roberts Building, such as the Office of the Bishop, or other partner.
 - iii. Develop recommendations for the Kimberly Apartment Building and parcels.
 - iv. Develop recommendations for monetizing mineral rights, oil and gas leases.

Leigh noted the Operating Principles and Guiding Virtues, consistent with the Vision, Mission and Values of the Cathedral and Vestry, to guide the organizing processes, participation, discussions, analysis and recommendations forthcoming from the work of the Futures Planning Task Force.

Deliverables of the Task Force are:

- Produce spreadsheet that shows projected endowment growth if the draw is 4%.
- Document financial requirements necessary for the cathedral to enter into relationship/s with partner organization/s.
- Provide written recommendations to the Finance Committee and the vestry about the Kimberly apartment buildings and additional real estate holdings, i.e., Argonaut parking lot, Dominik Park parcels.
- Provide written analysis and report of best practices to enlarge the Endowment to Finance and Investment Committees and Vestry.

Work of the Task Force will begin in January, to conclude in 6-12 months. Analyses will be used to guide discussions and inform decision making. Work is to be developed in cooperation with the Director of Operations and Staff to ensure effective communications and measurable outcomes. The first steps will include recruiting task force members, with a goal to ensure inclusiveness, diversity, and issue area expertise. While there is no prescribed number of participants for each issue area task force, the groups should be small, focused, and issue oriented.



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- b. Prayer List - Leigh noted that these may be exceptionally troubling times as we enter the Holiday season. People and families may experience health concerns, emotional needs, financial needs, and mental health issues, coupled with feelings of isolation. Although some of the feelings commonly arise during the Holiday season, these are expected to be more pronounced during COVID-related restrictions. Leigh asked that we alert Katie with any concerns about parishioners who may need pastoral support during this season.
- 4. Junior Warden's Report** – Michael Vente – No report.
- 5. Treasurer and Director of Operations Report** – Tom Barbour/Audrey Chapman
- a. Investment Committee Report, Q3 2020 – See pages 10 and 11 included in the Vestry packet. Tom noted that Investment Committee Investment Summary, with total income earnings in Q3 of \$117, 564.98 for the quarter. Investment returns are detailed on page 12, Five and Twenty-year Capital Market Line Analysis of returns shown on pages 13 and 14. Investment returns are strong, and the Fund's allocation among asset classes is consistent with long term benchmark targets of 60% equity/40% fixed income allocations.
 - b. **Action Item** – Audrey reported on the Endowment Fund Draw Calculation, noting that both the Investment and Finance Committees have asked for Vestry Board approval of 2021 Endowment draw of \$1,013,479. Motion was made by Mark Wherry, seconded by Michael Vente to approve the recommended draw. **The motion passed unanimously.**
 - c. **2021 Budget Update** - Tom and Audrey referred to the Vestry Packet information, Page 16. Budget deliberations have included expected revenues, expenses, with an operating budget deficit of \$208,906. Budget estimates are based administrative/management assumptions and revenue and expense projections;
 - i. Planned 20% Budget cut across all departments.
 - ii. Declines in plate, non-pledged giving, and projected declines in other areas.
 - iii. Reallocations of some facilities staff expenses from salary to contract services.
 - iv. Budget line items being reviewed/updated to reflect 2020 actuals and 2021 assumptions; budget will be set for approval in February or March.

Action Item Finance Committee recommendation – The Finance Committee has recommended that the Vestry approve using the Paycheck Protection Program Loan Forgiveness funds as needed to balance the 2021 Budget, as follows:

The Director of Operations has recently applied to have the CARE Act Paycheck Protection Program (PPP) funds in the amount of \$372,400, or 100% of the loan amount be forgiven.

If successful the funds will move out of liabilities and into unrestricted cash and will be used to reimburse the cash reserves which were used to pay wages and staff during the covered period of the loan, (which was April 24-October 8, 2020).



The Finance Committee then recommends that the Vestry approves using the funds in the amount needed to balance the 2021 budget.

This recommendation is contingent on the loan being forgiven by at least as much as is needed to balance the budget.

Motion: Mark Wherry moved that the Finance Committee recommendation using the PPP loan funds in the amount needed to balance the 2021 budget be approved; Michael Vente seconded the Motion.

Audrey noted that the Cathedral has applied to have 100% of the PPP program loan be forgiven, consistent with the program provisions that loan funds are eligible for loan forgiveness providing the funds have been used as required to cover payroll costs. The Cathedral loan meets eligibility of full loan forgiveness; the loan forgiveness application is expected to be approved.

Following discussion the motion passed unanimously.

Kathleen and others commended Audrey for her diligence in capturing loan funds to protect families and support children and families during this time of need.

- d. **Q3 Balance Sheets and October Financial Update** – Tom and Audrey referred to the Vestry Packet information, pages 18-22, for Quarterly Balance Sheet information and October Financial update.
6. **Nominating Committee Report** - Jennifer Allen reported that the Nominating Committee has confirmed 7 candidates to stand for the January 2021 Vestry Election. The confirmed candidates have submitted their candidate profile and Evans has taken pictures for the ballot. Vestry members offered their thanks to the nominating committee for the work over the past months.
7. **Information** items included in the Vestry Packet: Minutes, Finance Committee meetings of August 11, September 8 and October 13, 2020
8. **Consent Agenda** – Minutes , Vestry Meeting, October 18, 2020
9. **Prayers** – Broderick Greer offered the Closing Prayer.

Adjournment: Meeting adjourned at 6:15 PM.



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