



Vestry Meeting Minutes

September 19, 2021

Attendees: Jennifer Allen, Tom Barbour, Elizabeth Drummond, Mike Koechner, Helen Richards, Rodger Hara, Greg Movesian, William McMechen, Meg Parish, Illana Poley, Rebecca Richardson, Michael Vente, Richard Lawson, Broderick Greer, Katie Pearson, Audrey Chapman, Shirley Traettino

Guests: Diane Barrett (Finance Committee)

Absent: Kathleen De Mars, Leigh Grinstead, Mark Wherry

Call to Order: 4:05pm

Richard provided an opening prayer

Summary of actions taken:

- Accepted the recommendation from the Finance Committee to approve an expense of up to \$22,000 to engage with Tryba to begin the Information Gathering + Discovery phase of a campus plan for the Cathedral.
- Accepted the recommendation from the Finance Committee to approve the sale of the oil, gas, and mineral rights property that is the North Half (N ½) of Section Thirty One (31), Township Nine (9) North, Range Fifty-Eight (58) West, 6th P.M., in Weld County, Colorado at the purchase offer from Mallard Exploration for the price of \$7,256.22 per net mineral acre, which, at 160.225 per net mineral acres is a total sale of \$1,162,629.44.
- Approved minutes, Vestry, 2021.05.16 (Executive Session)
- Approved minutes, Vestry, 2021.05.16
- Approved minutes, Vestry, 2021.06.13
- Approved minutes, Vestry, 2021.08.15

Junior Warden's Report

In Leigh's absence, Michael chaired the meeting. He began the discussion with the Junior Warden's report and summarized many of the videos and opportunities for conversation related to the seating change in the nave. He said that many of the interactions he's had with parishioners have been largely positive. He asked others in the group for their feedback.

Mike said that people may want to know more about the process by which the Task Force and the Vestry used to make this decision. Michael said that he could work with Evans to incorporate more of that information in future communications. Multiple parishioners have asked about the plans for the old pews and if they'd be able to purchase one. Michael and Rebecca said that the Arts and Architecture Committee would be tackling that questions after their chair design work was completed. They also



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said that offering some old pews for sale could be an option depending on their condition. But they also noted that providing pews for sale may be difficult because of their condition as well as their re-assembly.

Richard said that he and other clergy/staff have received some feedback on the change. He said that the bulk of feedback received so far has been members that express that they were initially surprised by the news, and then said that after watching the videos and reading the FAQ document they understood that the pews could not come back, and that the task force and the Vestry chose chairs because they allow for better hospitality (including better spacing for wheelchairs, walkers, etc.) and flexibility. He said that most comments had been positive, but that he thinks more time is needed for some to process the news. Illana concurred that some would need more information and time to begin to feel more comfortable with the change.

Dean's Report

Richard provided an update on the Cathedral HVAC renovation and well as an update on the Kimberly. Regarding the HVAC project, he said that the work was on budget and on time so far. The Cathedral as received all necessary permits from the city and inspections have begun.. After the inspections are completed, staff will work to open up and tune the organ, reinstall the AV equipment, and other logistical matters (including the addition of transitional chairs in the nave which will be used until the permanent chairs are completed). He also provided information on structural repairs in towers that are being evaluated which may allow for repairs to the Cathedral's bells.

Richard asked Vestry members to read Broderick's report provided in the Vestry packet which summarized various projects/initiatives regarding parish growth. He noted the work that Broderick has done to engage young adults, and asked the Vestry to pay special attention the offerings of Mile High Theology. Richard also noted the third phone call campaign organized by Katie, staff, and volunteers. Katie said that volunteers (about 45 individuals) have been identified to complete approximately 550 phone calls. She said that callers would be provided a script as well as information and talking points on the seating change decision in case parishioners ask. A Google Form will be used to collect feedback from calls and help clergy and staff better track follow-up needs. Richard noted that the call campaign will begin once a definitive date has been set for services to resume in the nave. He also said that this campaign was separate from the annual stewardship campaign, and that staff would work to ensure that the campaigns do not conflict with one another.

Richard gave special thanks to Christina Rutland for shifting her job responsibilities to also support Communications and to a lesser extent clergy events. This change allowed Evans to focus on the communications/videos on the seating change. He said that staffing challenges remain for the Cathedral, but that the team works collaboratively to support each other. When asked how the change affected Tina's formation workload, especially with the start of the program year, Katie mentioned that she and Tina have



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worked hard over the last few years to always be very far ahead in the planning of each formation program 'semester,' so the bulk of planning for this fall was finished much earlier this

Mike asked if the 8:00am service could be offered outside on All Souls Walk next summer. He said that many have enjoyed that structure. Richard said that service could be outside again, but he encouraged all to wait until the nave was re-opened before plans for next year are made.

Director of Operation's Update – Updated 5-year plan – Tryba Kimberly Assessment

Audrey and Richard provided an updated 5-year plan for the Cathedral's operating budget. Audrey noted that while projected deficits in future years persist, the Vestry, Finance Committee, and staff have made significant progress in brining those projected deficits down by around 75% on average. However, Audrey noted that the deficits are still around a quarter of a million dollars annually, and that staffing and expenses have been cut significantly in the last five years, to the point where expenses cuts, while still always being assessed, will no longer provide impactful effects to the operating budget. From the revenue perspective, Audrey highlighted that in past years rental income from the Kimberly has been critical to the Cathedral's operating budget but that significant repairs needs are accelerating and reducing net rental revenues by around 50%. Based on the review of the five-year plan, Audrey and Tom emphasized for the vestry the urgent need to consider again and then realize development and usage plans for the properties owned by the cathedral within Capitol Hil, with a minimum critical need for the properties to provide an additional six-figure, reliable source of revenues for the cathedral's operating budget.

Richard, Tom, and Audrey reminded the Vestry of actions they took at past meetings to engage with Tryba Architects to provide an appraisal of the Kimberly. They noted that this expert feedback was necessary and urgent in planning next steps for the Kimberly. They hoped that having Tryba perform this work would provide a more cohesive vision for the Cathedral campus since Tryba is working on the HVAC renovations and did assessment work for the Cathedral related to Dominick Park and Cathedral Square North in the past.

Diane Barrett echoed Richard, Tom, and Audrey's comments, and provided a summary of a recommendation from the Finance Committee. The Finance Committee recommends that the Vestry approve an expense of up to \$22,000 to engage with Tryba to begin the Information Gathering + Discovery phase of a campus plan for the Cathedral. Per the vestry's vote in August 2021 Saint John's is currently engaged with Tryba in the Kimberly Condition Assessment phase of their proposal, and once the Information Gathering + Discovery phase refines the scope, timeline, and pricing provided in the proposal included with the September 2021 vestry packet, the Finance Committee anticipates recommending that the vestry approve moving forward with the



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Vision and Plan Development phases. She underscored the urgency of this work and the need to commit to resolve these problems in an efficient way. She said that Tryba's experience in providing insights that encompass all the pieces of work related to the Cathedral's needs and opportunities would be vital to our success.

Illana supported moving forward on next phase of this work with Tryba and looked forward to continued conversations about needs and opportunities. Diane noted that this work would build on all the work that other groups have done related to the vision of the Cathedral campus. Tom said that Tryba had done a similar project with Montview Church recently and hoped that Tryba would be able to bring that same kind of thinking to this project. Rodger noted that it is important the Vestry be engaged on the desired purpose for the Kimberly property (revenue generation, affordable housing, community support, etc.). Tom hoped that the information and assessments provided by Tryba would help the Vestry in making those decisions.

Mike made a motion to accept the recommendation from the Finance Committee to approve an expense of up to \$22,000 to engage with Tryba to begin the Information Gathering + Discovery phase of a campus plan for the Cathedral. Rebecca seconded the motion. The motion passed.

Oil & Gas/Mineral Rights Property Sale

Tom provided an update on conversations that he and others have facilitated related to the potential sale of mineral rights owned by the Cathedral. He said that the Finance Committee, after careful consideration, recommends the Vestry approve the sale of the oil, gas, and mineral rights property that is the North Half (N 1/2) of Section Thirty-One (31), Township Nine (9) North, Range Fifty-Eight (58) West, 6th P.M., in Weld County, Colorado. The Finance Committee recommends accepting the purchase offer from Mallard Exploration, for the price of \$7,256.22 per net mineral acre, which, at 160.225 per net mineral acres is a total sale of \$1,162,629.44.

He said that these discussions have continued for several months and included members of the parish community with expertise in mineral rights. He also provided a history of how these mineral rights were bequeathed to the Cathedral by Bessie L. Spencer after her death on April 2, 1948, and how leases for these rights approved by the Vestry have yielded payments to the Cathedral which have helped close budget gaps. The proposed sale would encompass one of the larger sections of mineral rights owned by the Cathedral in Weld County. He felt that the sale of these rights was in alignment with the wishes of the benefactor and would help support the finances of the Cathedral in a more real and dependable way.

Meg noted that past Vestries have leased these mineral rights and control over how those right were used for many years, and those past decisions had environmental consequences. However, she did not feel that this sale conflicted with actions that have already been taken by past Vestries. Further, the company purchasing these rights



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seemed to have a good environment track record in Colorado. Vestry members had questions about the use of the funds from the sale of these rights; According to the current gift acceptance policy, "All real property received by gift shall be placed on the market as soon as practicable for conversion to cash...the proceeds of the sale shall be promptly transferred to the Endowment Fund(s) designated by the Finance Committee".

Vestry members did raise questions on how the sale of mineral rights now would impact the 5-year plan and future budgets. Tom said that revenues from the lease payments from these mineral rights have gone into the Cathedral's operating budget in the past. Audrey added that the annual lease payments have, per the auditors, been put into 'deferred revenue' in the Fund 8 savings, and released to operating revenues in thirds, per the 3 years of the lease. Discussions about how to fill the operating gap in the five-year plan are ongoing.

Illana made a motion to accepted the recommendation from the Finance Committee to approve the sale of the oil, gas, and mineral rights property that is the North Half (N 1/2) of Section Thirty One (31), Township Nine (9) North, Range Fifty-Eight (58) West, 6th P.M., in Weld County, Colorado at the purchase offer from Mallard Exploration for the price of \$7,256.22 per net mineral acre, which, at 160.225 per net mineral acres is a total sale of \$1,162,629.44. Greg seconded the motion. The motion passed.

*Vestry adjourned at 5:45pm to act on this item as the Clarkson Corporation.
Vestry called to order again at 5:50pm*

Michael greatly appreciated the work of Tom and others in these conversations and gave thanks for their dedication to the Cathedral's finances.

Endowment Task Force Report

Greg and Rebecca provided an overview of work they've engaged with Giles Fox and Ned Rule on growing the Cathedral's endowment to promote financial sustainability and support new projects/initiatives at the Cathedral. They provided more details of this work in a report which was included in the Vestry meeting packet. Greg noted the strategies used and approved by the Investment Committee to use proceeds from the endowment to support the Cathedral's budget. He also said that the current strategy used would increase the value of the endowment, but (when considering inflation) those gains would not be sufficient to support the Cathedral's budget in "real" terms.

The group recommended several strategies including:

- The Cathedral needs a comprehensive plan that integrates strategies for program enhancement, congregational growth, increasing operational funding to balance a larger budget, capital needs including conservation of the stained-glass windows, and doubling the endowment to at least \$50 million in 20 years.



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- There should be a more detailed plan for implementation of these strategies in the near-term – over the next three to five years, and longer-term, more generalized plan that looks forward to the following five to fifteen years.
- To succeed, the core base of parishioners who are invested in the continuing life of the Cathedral as a community will need to embrace the principles and theology of stewardship and accept fundraising as an aspect of stewardship grounded in the practice of a spiritual life rooted in Christian, Anglican teaching.
- Consider launching a 15-to-20-year facilities maintenance and improvement study designating which improvements need to be made when with dollars attached, adjusted for inflation. This will give us a good indication of how we are presently doing and if we need to be considering special appeals or campaigns for particular needs.

Greg said that key to all these (and more) strategies is intentionality. He noted that so many projects and initiatives were related, and that if the Cathedral wants to be viable in the future, we need to be intentional. The continued building relationships is key to success. Rebecca appreciated the opportunity to be mindful of gathering the information to make healthy decisions. Michael thanked Greg, Rebecca, and others for their work on this topic. He said that more conversation on these suggested strategies would be beneficial, and that time would be dedicated at future Vestry meetings to this work. Richard encouraged the Vestry to focus on low hanging fruit first with discussions on other major projects (stained glass window repairs, bell repairs, etc.) next. He believed there were great opportunities to execute on these strategies and looked forward to future conversations.

Consent Agenda

- Minutes, Vestry, 2021.05.16 (Executive Session)
- Minutes, Vestry, 2021.05.16
- Minutes, Vestry, 2021.06.13
- Minutes, Vestry, 2021.08.15

The consent agenda was approved.

Closing Prayer – Provided by Richard.

Adjourn: 6:05pm