



SAINT JOHN'S CATHEDRAL

Minutes of the Vestry Meeting of June 26, 2022

The meeting was called to order at 4:06pm

Present: Illana Poley, Greg Movesian, Bradley Jackson, Rebecca Richardson, William McMechen, Michael Koechner, Leigh Grinstead, Helen Richards, Richard Lawson, Audrey Chapman, Dave Loos, Audrey Chapman, Richard Lawson, Shirley Traettino

Absent: Mark Wherry, Michael Vente, Jenipher Jones, Kathleen DeMars, Katie Pearson, Broderick Greer, Tom Barbour, Kate Gojkovich, Rodger Hara,

Summary of Actions:

- Approved the Cathedral's audited financial statements for 2021
- Approved the Audit Committee's recommendation to again retain JDS accounting group for the 2022 audit
- Approved the Finance Committee's recommendation to approve signing on with fundraising consulting company CCS at an amount of up to \$60,000 to come from Fund 8 to pay for a Pre-Capital Campaign Feasibility Study
- Approved the Finance Committee's recommendation as to the use of the funds from the sale of the Spencer mineral rights/property gift
 - Approved the Campus Stewardship and Revenue Planning Task Force and the Finance Committee's recommendation to allot up to \$225,000 of the Spencer funds to be used to correct the identified most important safety upgrades at the Kimberly Apartments
- Appointed Bradley Jackson to the Finance Committee
- Approved Audrey opening a new discretionary checking account, to be used by the new priest on staff, Amy Newell-Large, to address needs amongst the congregation and the community.

Opening Prayer – Dean Lawson provided an opening prayer.

Junior Wardens Report

Nominating Committee Report

In Michael Vente's absence Leigh Grinstead presented the report. There will be some changes in the way candidates are selected. The mid-year Vestry class used to handle the nominations, but having the committee change membership every year created too steep a learning curve each year that resulted in an inability to be strategic or consistent Michael Vente is planning to work with the new Curate for Parish Life, Amy Newell-Large, in her position's hospitality and committees/small groups management capacity to think about how the Nominations Committee can not only better manage its standard



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responsibilities of Convention Delegates and Vestry Nominations, but how she could also help think about how to enhance membership and the effectiveness of many of Saint John's many groups and committees.

Guest: Audit Committee Chair, Chuck Thompson, Review of 2021 Audit.

Chuck Thompson, St. John's Audit Committee Chair, was a guest at the Vestry meeting to go over the audit results with the Vestry. Chuck along with Jay Swope and Tom Barrett met with the auditors and reviewed all of the 2021 financials and accompanying reports. Chuck reminded the Vestry that St. John's chooses not to record property or equipment depreciation, which results every year in a qualified opinion. St. John's Balance Sheet shows an increase in total assets from \$47,067,580 in 2020 to of \$54,492,515 as of December 31, 2021. The Endowment increased by \$2,700,660: From \$25,956,195 in 2020 to \$28,656,855 year end December 31, 2021. St. John's income increased by \$4.4mil and pledged/annual giving income increased \$50k.

Chuck also reminded the Vestry that the Audit Committee Charter enlists the Audit Committee to recommend to the Vestry an auditing company for the next audit. Chuck reported that the Audit Committee is pleased with JDS' performance and their fee is very reasonable. If St. John's changes firms the fee would probably increase by \$10,000. St. John's has looked every few years for other firms but always come back to JDS.

Finally, Chuck and Audrey discussed with the Vestry that Staff Accountant Kris Jenkins is retiring after twenty years and St. John's needs to start looking for her replacement soon. Kris will be here until the end of January 2023 so the job will be posted in August. Some changes will be made to the accountant position. Some work will be shifted from Audrey to Kris's replacement and the new accountant will attend both Finance Committee and Vestry meetings.

Leigh motioned to accept the 2021 audit reports. Michael Koechner seconded the motion. The motion passed by unanimous vote.

Leigh motioned to accept the Audit Committee's recommendation to contract with JDS Professional Group for the 2022 audit. Rebecca seconded the motion. The motion passed by unanimous vote.

Stained Glass Budget Update:

In May, Martin & Martin Consulting Engineers furnished construction drawings and an estimate for the repairs to the stained glass windows. The total stained glass restoration estimate is \$1,793,778 plus General Conditions estimate of \$363,291 bringing the stained-glass project estimate to \$2,157,069. There would be other expenses such as insurance, performance bond, construction fee and contingency costs of approximately \$407,622 bringing the total estimated budget to \$2,564,691. The Vestry asked Rebecca how Martin & Martin and the General Contractor, GH Phipps, were chosen. Rebecca emphasized that, while GH Phipps will oversee all subs, and is highly qualified, the project includes a



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stained-glass restoration/preservation/repair company. Northeast Stained-Glass Studios out of New Jersey is one of the best in the country with a large portfolio of churches and institutions with stained glass as valuable and meaningful as St. John's-stained glass. Phipps has a lot of experience with historic restoration and will oversee the stone/masonry work.

The Vestry was thrilled with progress made thus far on the stained-glass windows project and thanked Rebecca for her excellent work in shepherding the project to this point. The Vestry also discussed other items that they know urgently need attention: The Columbarium has over time become uneven and is in need of solutions, the older air-conditioning still in commission on the 2nd and 3rd floors of the Parish building has gone out, a bid is needed to repair the bells in the cathedral, the sacristy and kitchen are in great need of improvements and upgrades, and more funds than are currently being held in restricted funds will be needed to finish the construction of a new baptismal font and the reconstruction of the organ in Saint Martin's Chapel. Leigh reiterated that the stained glass is the most important, although there are many other important needs.

Pre-Campaign Study + Capital Campaign Consultants Budget and Proposals:

Greg and Rebecca met with Community Counseling Services (CCS) to discuss St. John's fundraising needs. CCS is very familiar with the Episcopal church having worked with hundreds of parishes and dioceses over the years and they are very experienced with the philanthropic landscape in Denver. The Vestry was provided with the CCS fundraising services proposal, which the Finance Committee recommended for approval. After review, the Vestry approved signing with CCS at a cost of up to \$60,000 to come from Fund 8.

Rebecca motioned to accept the Finance Committee's recommendation to contract with CCS for fundraising consulting services at an amount of up to \$60,000, to come from Fund 8. Helen seconded the motion. The motion passed by unanimous vote.

Finance Committee Report

5 Year Plan/2023 Budget Preparation, Fund 8 & Unencumbered Cash Updates.

Audrey informed the Vestry that she and Richard are working to resolve an approximately \$150,000 projected deficit to the current 2023 operating budget draft. The next year's operating budget often has a deficit at this point in planning. The main reason the 2023 deficit is currently so large is because the Endowment is down close to \$4million since December 31, 2021. Audrey also flagged for the Vestry that the staff Cost of Living Adjustment (COLA) that is currently in the 2023 operating budget is at 2%, which is always where the COLA starts, as a placeholder. In past years the Finance Committee and Vestry have chosen to go with higher COLAs. Audrey also reported that Fund 8 has an unrestricted/undesignated balance available of \$400K. Finally, Audrey and the Vestry discussed that unencumbered cash was at roughly around \$300,000, which is less than the desired minimal amount of \$429K which would cover all salary related expenses for three months, or the \$809K that would cover all operating expenses for



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three months. Audrey will provide an official unencumbered cash update at the August Finance Committee and Vestry meetings.

Spencer Funds Usage:

As a Vestry member on the Finance Committee, Illana led the discussion of the letter dated, May 18, 2022, from the Finance Committee to the Vestry. The letter noted that the auditors have reviewed the Finance Committee's five recommended uses for the funds (available on pages 64 and 65 of the June 2022 Vestry Packet) and have agreed that their recommendation for the uses of the Spencer Funds are in-line with the donors wishes.

Helen expressed concern about the use of around \$600,000 from the Spencer funds to pay for two new positions, a Stewardship Director and a Missioner for Social Justice and Outreach, for only three years. Helen asked specifically how St. John's will maintain the cost of these new positions past the three years funding from the Spencer funds. Greg echoed Helen's concern, and said that the salaries will have to be part of the budget after the three years; everyone agreed and asked Audrey to make sure that all five-year plans include the full expense load of those two positions, even after the Spencer funds are spent

Greg motioned to accept the Finance Committee's recommendation to use the Spencer Funds as outlined on pages 64 and 65 of the June 26, 2022 Vestry Packet. Bradley seconded the motion. The motion passed by unanimous vote, with Leigh abstaining since she was so involved in the process of the Finance Committee recommendation.

The Vestry then focused on the \$225,000 portion of the Spencer Gift that was now approved to be used, per the Finance Committee recommendation, to address safety upgrades to the Kimberly Apartments. After discussion, Mike Koechner motioned to approve the Finance Committee recommendation to move forward with the repairs. Rebecca seconded the motion. The motion passed by unanimous vote, with Leigh abstaining since she was so involved in the process of the Finance Committee recommendation.

1960 Leyden Update

Richard updated the Vestry that they are in the middle of repairs in the bathrooms of the house that the cathedral and his family own (and in which the Lawsons live), and that the 2nd leak is more complex than thought so they have brought in a structural engineer for help. To date, the Lawsons have spent \$75k in house repairs, as has the cathedral. The Vestry asked if selling and moving were still being considered. Richard answered that they have been told they can't sell the house without fixing the current problems. Richard will keep the Vestry updated as the repairs continue.

Finance Committee Member – Bradley Jackson:

Bradley Jackson, a new Vestry member in 2022, was asked by the Treasurer if he would consider joining the Finance Committee. After attending the May Finance Committee meeting, Bradley agreed to serve on the Committee.

Rebecca motioned to appoint Bradley to the Finance Committee. Helen seconded the motion. The motion passed by unanimous vote.



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Dean's Report:

Richard updated the Vestry on Diocesan changes, including that the Canon to the Ordinary has resigned to move back to his home state, and the Executive Director of Cathedral Ridge is leaving because she has been called as the new Rector for St. Timothy's in Centennial.

Richard also reported that the Diocese has now decided to have more than one summer camp and to open the camps to the entire Diocese so that we can have kids from all of Colorado's Episcopal churches.

Director of Operations' Report

Audrey asked the Vestry to approve her opening a new corporate checking account, a *discretionary* checking account, to be used by the new priest on staff, Amy Newell-Large, which can be used at her discretion to address needs amongst the congregation and the community

Leigh motioned to approve Audrey's opening of a new corporate checking account. Illana seconded the motion. The motion passed by unanimous vote.

Consent Agenda

Minutes, Vestry Meeting of April 24, 2022

Minutes, Vestry Meeting of May 15, 2022

The consent agenda was approved.

Closing Prayers: Dean Lawson

Meeting was adjourned at 6:28pm