

Cathedral Church of St. Paul
Chapter Minutes
March 24, 2020

Clergy

Present: Amma Nicola, Deacon John Doherty, Father Zebulun Treloar

Absent: Bishop Alan Scarfe, Father Troy Beecham

Officers

Present: John Stender-Custer, Clerk; Rick Stearns, Treasurer

Class of 2021

Present: Matt Petty, Jolene Phelps, Jill Southworth

Absent: Leighton Carlson

Class of 2022

Present: Diane Hayes, Stephanie Wells, Skeet Wootten

Absent: Tom Thompson

Class of 2023

Present: Mike Gillespie, Jonathan Hansen, Elvin McDonald

Absent: Rachel Secretario Hill

[Members from above referred to by first name following]

- I. Opening Prayer – Amma Nicola
- II. Reading of Mission Statement – Skeet
- III. Statement of Conflict of Interest
 - a. Skeet – has a business relationship with the church through his work. Investment accounts are held with Wells Fargo. He reimburses all commissions earned through trade backs to the church.
 - b. Deacon John – is an employee of both the Cathedral and the Diocese.
- IV. Treasurer's Report – Rick
 - a. Nothing disruptive in the financials sent out by Deacon John.
 - b. We will need to watch what not having Sunday services will do to our plate collection.
 - c. We are working on the audit.
 - d. We have successfully ended our relationship with Bankers Trust and have moved everything to Lincoln's Savings.
 - i. Deacon John can process all checks via a provided scanner.
 - ii. They are very responsive to questions.

- e. Deacon John explained that we received the quarterly distribution from the Diocese and a \$10,000 grant distribution from the Diocese for Fr. Zeb's payroll.
 - f. We are moving money from the Diocesan Endowment to the Cathedral's Vanguard account.
 - i. Skeet sent a letter to the Diocese but has not heard back yet.
 - ii. Anne told Deacon John that the Diocese will transfer the funds at the end of the quarter.
 - g. Diane moved to approve the Treasurer's Report. Seconded by Jonathan.
Approved.
- V. Approval of the January Minutes
- a. Jolene's correction: change group name to Faithful Innovations.
 - b. Diane moved to approve the February Minutes. Seconded by Matt. **Approved.**
- VI. Deacon's Report
- a. The Metro Chapter meeting will be held April 4 via Zoom at 9:30 a.m.
 - i. They will elect a lay member from the Metro Chapter to the Diocese of Iowa.
 - ii. Someone from every parish will be nominated to serve on the transition team.
 - b. Connections Café
 - i. No food is being prepared at the Cathedral.
 - ii. There is no food drop off or delivery at St. Paul's.
 - iii. Food serving goes on as usual.
 - c. Timmins, Jacobsen, and Strawhacker
 - i. Our goal is to have them take over financials and payroll by the beginning of May.
 - d. Cleaning services have been moved from once a week to twice a week.
 - e. Palm Sunday services will be broadcast from St. Paul's.
- VII. Assisting Priest Report
- a. A St. Paul's Facebook Group will be set up.
 - b. Fr. Zeb and Rachel Secretario Hill will meet next week.
 - c. Evening prayer will be held at 5:45 p.m. on Thursdays via Zoom.
- VIII. Canon Missioner's Report
- a. What can the church do when we can't meet in person?
 - i. Evening Prayer Every Thursday
 - ii. A recorded homily every Sunday.
 - iii. St. Paul's Zoom coffee hour after Diocesan services.
 - iv. Mark led a socially distant quartet.
 - v. Our Facebook group will be internally focused as opposed to our Facebook page which is outwardly focused.

- vi. We will host a drive-up Carillon concert on Easter and may continue this all through Easter if it is still needed.
 - 1. Eucharist in special circumstances is under consideration.
- vii. Skeet suggested the revival of the old-fashioned phone tree.
 - 1. Chapter and clergy could reach out to parishioners on a regular basis.

IX. Old Business

a. 2020 Cathedral Budget

i. Rick provided an overview to new chapter members:

- 1. Last fall the finance committee started to put together a 2020 budget. The more they got into it, the more they found that it would be very difficult to submit a budget to the chapter. So they put together 3 budgets.
 - a. Balanced.
 - i. We could not spend any more money than was taken in. This sounds good but would mean that we would have to cut services and personnel.
 - b. The Other Extreme.
 - c. Compromise Budget.
- 2. All 3 budgets were presented to Chapter in December. After listening to the pros and cons of each, Chapter thought the Compromise Budget made the most sense moving forward.
 - a. There have since been a few changes.
 - b. We won't end up with a huge deficit but we can pay bills with a Compromise Budget.

ii. The Cathedral's Diocesan Pledge

- 1. A letter was sent to the Diocese concerning the Cathedral's Diocesan pledge.
- 2. Skeet received a letter back on January 22nd from Ann Wagner that said that the Ways and Means committee had not met yet.
- 3. The Diocesan Ways and Means Committee met on January 28th but the Ways and Means Committee apparently did not discuss the Cathedral's pledge.
- 4. A letter was sent to the Diocesan Ways and Means Committee on February 6th concerning the Cathedral's Diocesan pledge.
- 5. The Diocesan Ways and Means committee met on February 18th but did not respond to the letter.
- 6. Since the diocese hasn't responded, the Cathedral is constrained in passing a budget. We are not reluctant to contribute but we need a response before we can move forward.
- 7. Until we hear back from the Diocese, we will mark zero in the Diocesan Pledge column knowing that we will adjust the number when our inquiry is answered.

8. This will be called a Provisional Budget
 - iii. Stephanie moved to approve the Provisional Budget with the diocesan pledge set to zero until an agreement is reached with the Diocese. Mike seconded.
 1. Discussion included a reiteration that the Provisional Budget will be changed as soon as there is resolution with the Diocese.
 2. Skeet will draft a letter to the Diocese.
 3. **Approved.**
 - b. Gifting Policy Proposal [Attached]
 - i. Overview
 1. We have received gifts in the past for a specific purpose. At the time of the gift, it was something important but as time passes, sometimes the need is no longer there. What is to be done with the money if it is sitting there and its use is restricted?
 - a. Proposed language: "Any gift received as restricted and not used for the restricted purpose will revert to an unrestricted status after five years from the original date.
 - b. During discussion, three years instead of five seemed to be the consensus.
 2. Jill moves to accept the addition to the gift policy changing it to three years: "Any gift received as restricted and not used for the restricted purpose will revert to an unrestricted status after three years from the original date." Seconded by Jolene. **Approved.**
- X. New Business
- a. Parking Spaces
 - i. John Z. asked through an e-mail If we should expect people to pay for their parking spaces that they are not using.
 1. We can send people a bill and they may or may not pay the bill.
 - ii. Orchard Place, next door, expressed interest in renting the parking lot.
 1. Orchard Place would take 29 spots.
 2. They are currently paying 65 dollars a month per space.
 3. We typically get 75 but we don't get 100 percent of the lot leased.
 4. For the year we currently average 5 spaces not rented.
 5. If Orchard Place will take all of the spots for 65 a month, Skeet will proceed.
 6. The contract will explicitly include exceptions including the use of the spaces when St. Paul's has funerals, the Chrism mass, and other special circumstances.
 - b. Diocesan Delegates
 - i. Stephanie will conduct anonymous, online, rank-order voting.
 - c. Transition Committee
 - i. If you are interested in being on the Transition Committee, please talk to Jolene.
- XI. Senior Warden's Report

- a. Social media has been terrific.
- XII. Closing Prayer – Amma Nicola

Gift Acceptance Policy

Purpose

This gift acceptance policy will provide guidelines to the Chapter and representatives of the Cathedral Church of St. Paul who may be involved in the acceptance of gifts, to outside advisors who may assist in the gift planning process, and to prospective donors who may wish to make gifts to the Cathedral Church of St. Paul. This policy is intended only as a guide and allows for some flexibility on a case-by-case basis. The gift review process outlined here, however, is intended to be followed closely. The policy recognizes that some donors may wish to place restrictions on the use of their gifts; before accepting such gifts the Chapter must satisfy itself that the restrictions are consistent with the mission of the parish and do not place an undue burden on the use and/or administration of the gift. The Chapter has the sole right to reject any gift that it determines is inconsistent with the principles of this policy.

Gift Review Committee

Any questions which may arise in the review and acceptance of gifts to the Cathedral Church of St. Paul will be referred to the Gift Review Committee (GRC). The GRC will report to the Chapter and will be comprised of the dean, the senior warden, the treasurer, the chairman of the finance committee and one member at large and will be convened on an as needed basis. In order to preserve the confidential work of the GRC, membership is deliberately limited.

Cash

- 1) All unrestricted gifts by check shall be accepted by the Cathedral Church of St. Paul regardless of amount.
- 2) Checks or monetary instruments shall be made payable to the Cathedral Church of St. Paul. In no event shall a check be made payable to an individual who represents the Cathedral Church of St. Paul in any capacity staff or volunteer.

Publicly Traded Securities

- 1) Readily marketable securities, such as those traded on a stock exchange, can be accepted by the Cathedral Church of St. Paul.
- 2) The value of the gift is the actual cash proceeds from the sale of those securities, excluding any brokerage fees associated with the sale.
- 3) All gifts of publicly traded securities must be liquidated at the earliest possible opportunity.

Closely Held Securities

- 1) Non-publicly traded securities may be accepted after consultation with the GRC. The fair market value will be the value used by the donor in the preparation of the donor's tax return.
- 2) Prior to acceptance the GRC will explore methods for liquidation of these securities through redemption or sale. The GRC will try to determine:
 - a) Any restrictions on transfer
 - b) Whether and when an initial public offering might be anticipated
- 3) No commitment for repurchase of closely held securities shall be made prior to completion of the receipt of the gift of the securities by the Cathedral Church of St. Paul.

Real Estate

- 1) Any gift of real estate must be reviewed by the GRC and the Diocesan Investment Committee.
- 2) Normally, the donor is responsible for obtaining and paying for an appraisal of the property. The appraisal will be performed by an independent and professional agent who is acceptable to both the donor and the GRC.
- 3) The appraisal must be based upon a personal visitation and internal inspection of the property by the appraiser and it must show documented valuation of comparable properties located in the same area.
- 4) The formal appraisal should contain photographs of the property, the tax map number, the assessed value, the current asking price, a legal description of the property, the zoning status, and complete information regarding all mortgages, liens, litigation or title disputes.
- 5) The Cathedral Church of St. Paul reserves the right to require an environmental assessment of any potential real estate gift.
- 6) The property must be legally transferred to the Cathedral Church of St. Paul prior to any formal offer or contract for purchase and sale is made.
- 7) The donor may be asked to pay for all or a portion of the following:
 - a) Maintenance costs
 - b) Real estate taxes
 - c) Insurance
 - d) Real estate broker's commission and other costs of sale
 - e) Appraisal costs
- 8) For gift crediting and accounting purposes, the value of the gift is the appraised value of the real estate. This value may be reduced by the costs of maintenance, insurance, real estate taxes, broker's commission and other expenses of sale if borne by St Paul's.

Life Insurance

- 1) A gift of a life insurance policy must be referred to the GRC.
- 2) The Cathedral Church of St. Paul can be named a contingent beneficiary or the beneficiary of a percentage of a life insurance policy.
- 3) The Chapter will accept ownership of a life insurance policy as a gift only if the Cathedral Church of St. Paul is named as the sole owner and beneficiary of 100% of the policy.
- 4) If the gift is a paid-up policy, the value for gift crediting and accounting purposes is the policy's replacement cost.
- 5) If the policy is partially paid-up, the value for gift crediting and accounting purposes is the policy's cash surrender value. *(For IRS purposes, the donor's charitable income tax deduction is equal to the interpolated terminal reserve, which is an amount slightly in excess of the cash surrender value.)*

Tangible Personal Property value estimated to exceed \$250.00

- 1) Any gift of tangible personal property shall be referred to the GRC prior to acceptance.

2) Gifts of jewelry, artwork, collections, equipment and software shall be assessed for their value to the Cathedral Church of St. Paul. Their value may be realized either by being sold or used in connection with the parish's exempt purpose.

3) Depending upon the anticipated value of the gift, a qualified outside appraiser may be asked to determine its value, the cost of such valuation will be borne by St Paul's.

4) The Cathedral Church of St. Paul shall adhere to all IRS requirements relating to valuation and disposition of gifts of tangible personal property and will provide appropriate forms to the donor and IRS.

Deferred Gifts

1) The Cathedral Church of St. Paul encourages deferred gifts in its favor through any of a variety of vehicles:

- a) Charitable gift annuity (or deferred gift annuity)
- b) Pooled income fund
- c) Charitable remainder trust
- d) Charitable lead trust
- e) Bequest
- f) Retained life estate

2) The Cathedral Church of St. Paul (or its agent) shall not act as an executor (personal representative) for a donor's estate. A member of the parish staff serving as executor for a member of the parish does so in a personal capacity and not as an agent of the parish.

3) The Cathedral Church of St. Paul (or its agent) shall not act as trustee of any charitable remainder trust.

4) The Cathedral Church of St. Paul may invite prospective donors to consider gift vehicles offered by The Episcopal Church Foundation (specifically, Charitable Remainder Trusts, Charitable Gift Annuities and the Pooled Income Fund).

5) When donors are provided planned gift illustrations or form documents, these will be provided free of charge. For any planned gift related documents, materials, illustrations, letters or other correspondence, the following disclaimer should be included:

The Cathedral Church of St. Paul strongly urges you to consult with your attorney, financial and/or tax advisor to review this information provided to you without charge or obligation. This information in no way constitutes legal or financial advice.

6) All information obtained from or about donors/prospects shall be held in the strictest confidence by the Cathedral Church of St. Paul's staff and volunteers. The name, the amount, or the conditions of any gift shall **NOT** be published without the express written approval of the donor or their agent.

7) The Cathedral Church of St. Paul will seek qualified professional counsel in the exploration and execution of all planned gift agreements. The parish recognizes the right of fair and just remuneration for professional services.

8) The Chapter, upon the advice of the GRC, reserves the right to decline any gift that does not further the mission of the Cathedral. Also, any gifts that would create an administrative burden or cause the parish to incur excessive expenses may be declined.

Temporarily Restricted Gifts

For the Church

- 1) The Cathedral Church of St. Paul accepts all temporarily restricted gifts shall be accepted regardless of amount if a designated account already exists or it meets the other criteria herein.
- 2) Gifts preferably shall be made to "The Cathedral Church of St. Paul" with the restriction notated on the check, or an accompanying written notice, etc. Any reasonable variation of this name maybe accepted.
- 3) Staff may accept gifts. restricted for a specified project or by purpose or for a specific time frame if:
 - a) The temporarily restricted or designated account already exists,
 - b) The Dean has requested or approved the temporarily restricted account.
- 4) The Chapter must approve a gift establishing a new "named" temporarily restricted account or fund.
- 5) Any gift received as restricted and not used for the restricted purpose will revert to an unrestricted status after THREE years from the date of the original gift.

For the Cathedral Preservation Fund

- 1) All temporarily restricted gifts shall be accepted regardless of amount if a designated account already exists or it meets the other criteria herein.
- 2) Gifts preferably shall be made to "St. Paul's Cathedral Preservation Fund" with the restriction notated on the check, or an accompanying written notice, etc. Any reasonable variation of this name may be accepted.
- 3) Staff may accept gifts restricted for a specified project or by purpose or for a specific time frame if:
 - a) The temporarily restricted or designated account already exists,
 - b) The Chapter approves the restricted account. (Should the gift not further the activities of the Preservation Fund, but would better serve the activities of the Church, the Chapter may ask that it be transferred as soon as possible to the Church.)

Permanently Restricted Gifts

For the Church

- 1) All permanently restricted gifts are to be considered by the Chapter and are to be invested and/or managed and carried on the books of the Endowment Fund. The Church does not hold permanently restricted gifts. Should the Church accept a permanently restricted gift, it is to be transferred immediately to the Endowment Fund.

For the Endowment Fund

- 1) All permanently restricted gifts shall be accepted regardless of amount provided the gift does not conflict with Gift Acceptance Policy by Property Type.
- 2) Gifts preferably shall be made to "The Cathedral Church of St. Paul Endowment Fund" with the restriction notated on the check or an accompanying written notice, etc. Any reasonable

variation of this name may be accepted. However, to be a gift to the Endowment Fund directly, the word "Endowment Fund" or "Endowment" must be included.

3) Staff may accept gifts restricted for an existing endowment fund provided the gift does not conflict with Gift Acceptance Policy by Property Type.

4) Gifts received without a specific endowment fund indicated may be accepted by staff and are deposited to The Cathedral Church of St. Paul Endowment Fund unless designated elsewhere by a majority vote of the Chapter.

5) Gifts received to establish a new, including a named, endowment fund from any donor, other than the Church, must be a minimum of \$25,000 and approved by the Chapter.

6) The Finance Committee must recommend and the Chapter must approve new endowment fund creation.

For the Cathedral Preservation

1) All permanently restricted gifts shall be accepted regardless of amount, except for new endowment funds.

2) Gifts preferably shall be made to "The St. Paul's Cathedral Preservation Fund" with the restriction notated on the check or an accompanying written notice, etc. Any reasonable variation of this name may be accepted. However, to be a gift to the Preservation Fund directly, the words "Preservation Fund" or "Building" must be included.

3) Gifts received to establish a new, including a named, Preservation Endowment fund from any donor, other than the Church, must be a minimum of \$25,000.

Matching Gifts

The Cathedral Church of St. Paul will accept matching gifts

1) Any donor may remain anonymous, but his/her/their identity must be available to the Dean, and the Treasurer of the Chapter.

2) Matching gifts can be accepted in any amount greater than \$25,000.

3) Acceptance of a matching gift restrictions must be negotiated with and voted upon by a majority of the Chapter.