

**Christ Church Cathedral
Vestry Minutes
November 26, 2018**

Vestry Members Present

Caroline Rossini (Junior Warden), Win Bassett, Wyeth Burgess, Catherine Clark, Charlie Cook III, Tameron Hedge, Becca Ingle, Ken King, Anna Rodriguez Masi, David Morton, Gibson Prichard, Trone Sawyer, Katy Sheesley

Vestry Members Absent

Roger Moore (Senior Warden), Mary Herbert Kelly

Clergy Members Present

The Very Rev. Timothy Kimbrough, Dean and Rector; The Rev. Matthew Lewis, Assistant to the Rector; The Rev. Lissa Smith, Associate for Pastoral Care and Cathedral Life

Other Members Present

Hal Johnson, Mark McQueen, Tyler Yarbro, Marie Yeagle

Opening Prayer

Dean Kimbrough led those assembled in an opening prayer.

Meditation

Win Bassett delivered the meditation.

Approval of the October Minutes

The minutes of the October 22, 2018 Vestry meeting were approved. (Morton, Burgess)

Finance Committee Report

Mark McQueen presented the Finance Committee Report. The income and expense reports were approved (Prichard, Cook), and the balance sheet was approved (Clark, Rossini). The Finance Committee is satisfied with the Cathedral's financial performance thus far in 2018, inasmuch as it has recorded a positive variance to budget of \$13,845. This is a result of an unfavorable variance in budgeted income of \$940 being offset by a favorable variance in budgeted expense of \$14,794. Cash reserves remain at

approximately 21.99% of budgeted expenses on a 12 month moving average, which is somewhat below the target of 25%.

Income and Expenses. Pledges, offerings, and contributions as of October 31st are \$3,190 under budget compared to \$11,096 over budget through September 30th. Christian Education income and Sacred Space income are over budget, while Lay Ministries and Music Contributions are under budget. Expenses for Salaries and Benefits, Lay Ministries, and Music Program are all under budget, while expenses for Administrative Support, Christian Education, and Financial/Stewardship are all over budget.

Capital Campaign. The Finance Committee reviewed the Capital Campaign expenses incurred from October 2017 through October 2018. Those expenses total \$226,453.25. The budget for Capital Campaign expenses in 2018 is \$272,820. Through October, the total amount pledged to the Capital Campaign is \$2,745,762, of which, \$202,392.30 has already been received in income. As additional Capital Campaign pledge income is received, the sums originally expended on the campaign out of cash reserves will be reimbursed to cash reserves. The Finance Committee will review, each month, the expenditures and received pledges for the Capital Campaign and report its findings to the Vestry.

2019 Pledge Drive. Marie Yeagle updated the Finance Committee on the status of the Pledge Drive through November 13th. As of that date, \$1,261, 969.50 had been pledged, with 144 pledge increases, 24 pledge decreases, and 113 pledges staying the same, compared to the previous year. A total of 16 new pledges have been made, bringing the total number of pledges made as of November 13th to 297. The Finance Committee thanked Marie for her continuing hard work on the pledge drive.

Draft Budget. Mark McQueen previously presented to the Finance Committee for its review the first draft of a budget for the Cathedral for 2019. That draft, copies of which were circulated for review and discussion by the Vestry, reflects a four percent (4%) increase in expenses. Key components of the proposed budget are a \$125,000 increase in expected pledge and contribution income (totaling \$2,089,508), a five percent (5%) increase in employee medical insurance expense, a two percent (2%) pay increase for full-time staff, and an increase in budgeted expenses for several church programs. A final version of the 2019 budget will be determined on January 10, 2019, after the pledge drive results are in.

2019 Pledge Drive Report

Marie Yeagle, co-chair of the 2019 Annual Pledge Drive, reported on the progress of the pledge drive. Of the 521 households that pledged for calendar year 2018, 224 of those households have not yet pledged for 2019. An email blast to those who had not yet pledged for 2019 went out recently and generated a strong response. In addition, the

Recontacting Team has made a number of additional contacts. To date, a total of \$1,607, 198.50 has been pledged. At present, compared to last year, we are lagging in the number of households that have responded, but the average amount given per household is greater. There are 145 households that the Pledge Drive Committee will follow up with, and 80 households will be contacted personally. Pledge drive updates will be published weekly in the church bulletin. Following Marie's report, the Vestry discussed a variety of ideas about stewardship outreach, especially to new congregants. The Dean and Vestry thanked Marie for her dedication and hard work on the pledge drive.

Implementation Committee Report

Tyler Yarbrow reported on the latest activity of the Implementation Committee. The main item taken up at the last committee meeting was the charge of the Vestry to Tyler and Burgin Dossett to negotiate a proposed contract with the preferred architectural firm. Tyler advised that Burgin had engaged in extensive talks with that firm, and that the matter was at a point to be turned over to lawyers for final drafting. The architect's proposed fee is still a sticking point, in that it is set as a percentage of the overall cost of the project, and the parties have differing views on what that cost figure ought to include. Other issues exist concerning whether the work will be phased, and what impact such phasing might have on the architect's fee. After considerable discussion, the Vestry concluded that it needed more specific information that could better be understood in a face to face meeting with Burgin himself, before authorizing any further architectural expenditures on the project, with the exception of the authorization set forth immediately below.

Upon consideration of the recommendation of the Implementation Committee, the Finance Committee has recommended to the Vestry that an additional \$10,000 amount be authorized for the retention of an attorney with appropriate expertise to review and approve any final contract negotiated between the Cathedral and the architect. Accordingly, the following resolution was proposed, and unanimously adopted by the Vestry, by email vote conducted following the Vestry meeting:

Resolution

Resolved, by the Vestry of Christ Church Cathedral, that the Capital Campaign budget shall be increased by an additional \$10,000, and that said amount, or whatever portion thereof that may be necessary, shall be made available to retain the services of an attorney to review, approve, and finalize a contract by and between Christ Church Cathedral and the architect of record approved by the Vestry to perform the architectural work necessary to carry out the objectives of the Strategic Plan for the Cathedral.

Capital Campaign Update

Hal Johnson provided an update on the progress of the Capital Campaign. A good deal of progress has been made on the solicitation brochure being created by the Marlowe Kilpatrick firm. The galley draft of the brochure begins with a prayer of dedication and consecration of the new building, and the theme throughout, drawn from the prayer, is “Let the doors be opened.” It features a number of arresting photographs and appropriate quotations, and its content and format are sufficiently flexible to accommodate revision as the brochure is finalized. It will contain a pledge card insert. Copies of the galley proof were circulated for Vestry review. The Capital Campaign Committee is still negotiating with the Siegenthaler firm for a financial resolution of the termination of its contract.

To date, we have received 67 pledges from “major donors” totaling \$3,168,647. Hal, Dean Kimbrough, and Charlie Cook have met with a total of 67 households, and five additional appointments are scheduled for next week. A total of 46 households are slated for visits in the coming weeks. The major donor phase of the campaign will wrap up sometime in January of 2019. The general pledge appeal will open with a Friday evening social gathering in the nave, featuring music and a video presentation, on February 8, 2019. Approximately 200 people are expected to attend. On February 11th, the brochure will go out, and for three consecutive Sundays (February 10, 17, and 24) presentations will be made at morning worship services. The committee has established a deadline of March 3, 2019 for all pledges to be in, and expects the campaign to be wrapped up by April or May. Next week, Bob Hotz of American City Bureau will be in town to meet with Hal, Dean Kimbrough, and Ellen Coleman about the progress of the campaign and next steps.

Formation of a Building Project Working Team

Dean Kimbrough led a discussion of the need to create a Building Project Working Team to monitor and manage the construction work on the Strategic Plan project going forward. He advised that the Vestry Officers had met and come to consensus on the following propositions:

- We recognize with gratitude the completed work of the Campus Concerns working group, and commend the diligence and dedication of its members, who include:

Michael Hasty, Chair

Burgin Dossett, coordinator of Architectural Group

Mary Herbert Kelly, Vestry Liaison

Ken Sheesley, Properties Committee

Ellen Wright, Third Party Partnership Working Group representative

Matthew Lewis, *ex officio* clergy representative

- The valuable work completed by the Campus Concerns members includes, but is not limited to the following:
 - ❖ Assessment of campus ministry needs according to the Strategic Plan
 - ❖ Production of Proof of Concept drawings
 - ❖ Campus survey of deferred maintenance (ISIS)
 - ❖ Topographical survey of Cathedral campus
 - ❖ Solicitation and interview of local architectural firms
 - ❖ Recommendation of architectural firm to the Vestry
- At this stage, it is appropriate to create a new Building Project Working Team (BPWT) to continue the work of implementing the Strategic Plan.
- An appropriate size for the BPWT would be five to six individuals.
- The charge to the BPWT would be:
 - ❖ to see the project through to completion (at least through a first phase ribbon-cutting);
 - ❖ to create and administer a “Project Cost Budget” with advice and consent from the Vestry as delegated to the Treasurer and Finance Committee;
 - ❖ to work with the architect of record to recommend plans and drawings to the Vestry;
 - ❖ to recommend to the Vestry the hire of a contractor (early on) to work with the architect and oversee the building of the project ;
 - ❖ to consult with the Vestry about the need for an owner’s representative (who would answer to the BPWT).
- A Chair should be appointed to the BPWT who has demonstrated administrative skills and is disinterested in the particulars of the project outcome except for the general good of the parish and consistency with the Strategic Plan.
- Members of the BPWT should have demonstrated expertise in building, design, architecture, construction, or have a passion for the mission of the Cathedral coupled with an understanding of and support for the Strategic Plan.
- The BPWT would answer to the Implementation Committee on any major issues. Its recommendations would require the support of a majority of its members. Recommendations to the Vestry of proposals made to the Implementation Committee would require a majority vote of the Implementation Committee.

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 The Vestry discussed the above considerations at length, and addressed several other considerations as well, including:

- Whether it would be practicable to identify and engage a contractor early on in the process to perform the construction work;
- Whether an Owner’s Representative, if engaged, should be a volunteer or a compensated position;

- Whether the Vestry has sufficient information at present about potential BPWT members to make an informed decision about the composition of that committee.

At the conclusion of the lengthy discussion, Dean Kimbrough, on behalf of the Vestry Officers, advised that the officers would take up the concerns articulated and report to the Vestry at its December meeting with its additional recommendations going forward.

Adjournment

There being no time remaining to conduct further business, the meeting was adjourned, with a closing blessing by Dean Kimbrough.

Respectfully submitted,
Ken King, Clerk