

NATIVITY CATHEDRAL

CATHEDRAL CHURCH OF THE NATIVITY VESTRY MINUTES

Date: February 20, 2018 (Amended 4/12/18)

Attending:

Richard Sause	X	Tori Aitchison	X	Werner Reinartz	X
Karen Boksan	X	Tom Edwards	X	Joe Hafich	X
Annalisa Kelly-Cavotta	X	Kyle Cole	X	Harry Johnston	X
Don Appleton	X	Mary Mulder	X	Meg Seltzer	X

Clergy: Tony Pompa

Spiritual Practice: Mary read Scripture 48 and we sang By Night 3 times as a group

Mission Convo: Tony reviewed the Jesus Heist – Chapters 3 and 4.

What is the difference between Ecclesia and Church? Ecclesia refers to the beloved community. It's organic; a living, breathing organism – people in love with Christ and one another. Church is the institutional piece we have put on it.

We will discuss Chapters 5 and 6 at next month's meeting.

Approval of minutes: Kyle moved to approve the January minutes, Don seconded. All unanimously approved.

Appointment and election of Officers/Convention Deputies:

Vestry elected the following Officers:

Richard Sause as Senior Warden –
 Karen Boksan as Junior Warden
 Don Appleton as Treasurer
 Annalisa Kelly-Cavotta as Clerk of the Vestry

Also reviewed the Diocesan Convention Delegates:
 Ray Arcario, Laura Drum and Connie Gilbert

Alternates to Convention:

Bill Yale

Bob Wilkins

Bonnie Kuronya

Wardens will be going to convention – April 28th – all voted in favor

Raymond Arcario, Connie Gilbert, Laura Drum, Karen Boksan and Richard Sause are delegates to convention.

Finance report:

- Don reported that Pledge and Non-Pledge income was strong for January.
- Line 5120 -Current Maintenance; Plumbing and HVAC expense was over budget primarily due to replacement of water heater for Sayre Hall – approx. \$1500 will be reimbursed from DIT #320 Capital Endowment Fund.
- Line 3614 – Prepaid 2018 Pledges \$36,331
- DIT #212 Hurd Trust – We have had initial conversation with Bank of America about the end of the 25 year trust period in May 2019. This will have initial impact on our 2020 budget planning. Key points are below:

In the Trust Agreement there are several references to the term “permanent endowment fund”. Does this have any implications on Nativity’s use of the funds subsequent to the termination of the Agreement in May 2019?

- Are there any actions that need to be taken (notices, forms needing signature, etc.) prior to May 2019 in order to complete or close out the Trust Agreement?

- In the portion of the Unitrust Agreement that we have, (paragraphs (4) and (5) that we have), the Trust appears to stipulate that 1/17 of the (DISTRIBUTION?) to the Cathedral be used for Parish Activities and 1/17 for General Purposes. Is it possible to define these two categories of use in more detail and is our interpretation correct?

- Please define the disbursements Nativity will receive during the 2019-2020 transition years.

- We project that the market value of our Nativity Permanent Endowment (Hurd Trust), established from the Hurd Unitrust distributions and invested in accordance with the requirements of the Unitrust, would be approximately \$3 million as of May 2019. The impact on our budget process occurs in 2020 when we can budget the 70% of the 2019 Unitrust short year distribution. When budgeting the distribution for the remainder of 2020, we plan to use our established payout percentage from our Diocesan Investment Trust Accounts (DITs). The annual payout from our investment accounts is based upon a percentage established by the Finance Committee of the Episcopal Diocese of Bethlehem which currently is set at 4.5%. This percentage is applied to the average market value of the DIT accounts as of June 30th for the previous five (5) years. To meet the 4.5% payout, some distribution of appreciated assets is required since the yield (interest and dividends) average around 3%. We would plan to use 7/12’s of the diocesan payout for the remainder of 2020 and in subsequent years budget based in compliance with the Diocesan practice for investment payouts. Is our proposed

methodology in compliance with the Permanent Endowment covenants as you understand them?

- Last month (January 2018) Nativity received our 2017 annual check from the Hurd Trust in the amount of \$129,623. This amount is roughly the same as for the prior three years. We thought that the amount would be higher because of the strong performance of the stock market in the recent few years. Could you please explain how this calculation works?

Don made the motion to accept the report, subject to audit. Werner seconded. All unanimously approved.

Property report: No report – Richard did not attend meeting this week.

Stewardship report: Kyle stated there is no report at this time.

Personnel report: Housing resolution is not ready at this time.

Old Business: Campus Plan Initiative

Richard advised the group that he met with David Hurn, Landscape Architect -- The Architerra located in Coopersburg.

We need to have a small group of vestry members to work with the architect. Richard will be the lead. Richard has invited David to our next meeting for us to meet and discuss plans. Richard stated David will give us plans for the campus plan – averaging \$15,000

Discussion – Spring Organizing Retreat

Formation Retreat -- scheduled for Saturday 4/21/18 from 8:30 to Noon.

Fundraising -- Karen spoke about doing an Easter Flower fundraiser. The supplier is providing us tulips and hydrangeas at wholesale prices. All profits go to the Cathedral. Karen will be holding a meeting on Saturday at 10am to brainstorm about future fundraising events.

Bishop Search – Walkabout on April 17th at St. Stephens in Whitehall at 7pm – Vestry will be attending this walkabout.

Snippets:

- Purchase Easter Flowers from Nativity
- We raised \$1500 online for Nativity Youth Camp. Text sent to alumni to donate for Camp.
- Vestry is planning a meeting with a landscape architect to continue working on the Campus plan.

Meeting adjourned at 8:57pm. Harry motioned to adjourn and Don seconded.

Next meeting: Tuesday, March 20th

- Chaplain – Annalisa
- Dinner Host – Mary

Respectfully submitted,

Annalisa Kelly-Cavotta
Vestry Clerk