

Cathedral Church of St. Paul

March 2023 Chapter Meeting – March 28, 2023

Attending: Kevin Miller, Kate Bast, Derrick Muwina, Monica Elias Orellana, Megan Holding, Nick Carter, John Lane, Anne Stetson, Jen Hopcroft, Jane Peyrouse, Andrew Switter-Bentley, Amy McCreath, Beth Grundy, Betsy Munzer, Rebecca Spangler, Gail Merriam, Emily Garcia, Chris Capaldo, Hall Kirkham, Sean Carpenter, Stephan Griffin, Deb Thomas (Diocesan Chief Financial Officer, guest)

Regrets From: Katy Denning

Agenda

Prayer & Scripture Reflection – Kate Bast

Review of Norms

- Short period for silent review of additions and changes to norms discussed at the February Chapter retreat.

Episcopal Church Racism Audit: Leverages of Power

- Framing – Amy
 - Focusing on the report's section on power. This topic is important and alive in the diocese at the moment, and surfaces in different ways.
 - Report lifts up ways to find opportunities for advancement within church structures for people of color, discusses formation/the anti-racist competency of those who make decisions. For example: members of a rector search committee.
 - Money as a lever of power: has often been withheld from congregations made up of people of color, or denied to anti-racist programs.
 - Fear that people of color have about raising concerns and/or being perceived as negative. Fear of talking about things like Black Lives Matter and reparations.
 - Often, wealthy majority-white parishes are given more prominence or considered more valuable in a diocese. White culture often mystifies power structures, and obfuscates access to resources. Information is power!
- Small Group Discussion: Where do we see this pattern showing up in our faith communities and here in Chapter and at the Cathedral?
- Share-Out
 - An example of positional power being used to squelch discussion was shared.
 - There was fear about having discussions on anti-racism at one member's congregation, because of the anxiety about losing large-scale donors. But most have been participating and being courageous, including those donors.
 - The Episcopal Church as a whole is far along in terms of taking apart the evils of racism and making that a priority. But at one member's congregation, getting people to take part is still like "pulling teeth" because of fear and lack of exposure. Only two people signed up to take part in the Diocesan reparations toolkit program. Surprised that more people aren't talking about the intense

difficulties of this work. We can't and shouldn't use the fact that we are a majority white congregation as an excuse.

- Amy: even at Convention, there was quite a bit of discussion and debate. Some thought the resolution was too heavy-handed.

2023 Budget Presentation and Vote – Deb

- Last time we met, we had a budget deficit of ~\$350,000. The idea was to revisit our expenses and revenue and create a new draft for this month.
- We were able to cut into the deficit through a newly invigorated grant-writing process and other progress.
- Overall projected deficit has decreased to ~\$229,000. There are no other areas in which we can cut expenses at the moment.
- Making a request for an approval of an additional, one-time 2% draw for an 8% total from the endowment in order to fill the rest of the gap, with a recommendation to return to 6% for 2024.
- Betsy: it's not clear that we must get to a balanced budget – would not like to raise the draw past 7%. That would seem to be the max we should take at this time, given the opportunities we've identified for more revenue. Given the market right now, perhaps we should stick to 6% (Anne also pointed out the market downturn/investment performances). Proposal to revisit in July or August.
 - Deb specified that we can pay our bills with the deficit.
- John: If we pass a deficit budget, what are the next moves?
- Jane: We do have the ability to pass a deficit budget, but have concerns about this – it's an interesting environment to do that. Our fundraising push is promising. But, passing a deficit budget sets a difficult precedent. Would prefer to send a signal that, should we need to, we would be willing to cover the gap – but doesn't hold us to making additional draw until later in the year.
 - Amy departed the meeting at this juncture. Meeting proceeds with Jane as the chair.
- Anne: We could pass a budget with a commitment to balance by 12/31 by “raiding the endowment” if we need to. Deeply believe that we can raise the money we need – it's our job as Chapter to do whatever we can to balance the budget. Escape valve is the additional draw.
- Deb: We could wait until a midyear review in June to pass the year's budget, once we have some more fundraising news.
- Beth: Given that most parishes pass deficit budgets with the expectation that they'll continue to work to bring it down, is there a historical reason why the Cathedral can't do the same?
 - Jane: No specific reason.
 - Betsy: We shouldn't commit to anything now, provided we can pay our bills.
- Hall: We will ultimately fill the gap through the endowment if we can't pay our bills at the end of the year.
- Andrew: From the parish perspective, the Cathedral should be looked to as a model. The safest thing to do is to pass a balanced budget and set that as the standard.
- Monica: Is it realistic for the Cathedral to fundraise at this level with everything that's ongoing?

- Jane: There may be more opportunity for fundraising with the help of Chapter members. This can be addressed with the Development Committee.
- Megan: Does it matter in the view of grant-makers if we don't have a balanced budget?
- Megan: Would the "one-time draw" have a deadline or could we leave it until December to take that step?
 - Deb: Yes. No need to take the draw now.
- Megan: Those have mentioned the precedent of passing an unbalanced budget, but we should also be cognizant of the precedent of taking an 8% draw.
 - Jane: Several parishes have exceeded the general 5% threshold in this current climate, so we wouldn't be the only ones.
- Beth: It sounds like in order not to cut any programs or salary, we would need to go to 8% with the understanding that we could fill the gap with additional fundraising instead.
- Kate: Many churches have deficits, and the best practice is to be as transparent as possible. There's a culture in the Episcopal Church that we don't talk about money. Sources can also come up randomly!
- Budget Motion – Kevin called the question.
 - Motion to approve the budget as submitted by the Finance Team.
 - Motion to commit to balancing the budget with an additional draw from the endowment only if the gap cannot be filled otherwise.
 - **Unanimously approved.**

Adjourn