

# The Cathedral of Saint Andrew

Queen Emma Square, Honolulu, Hawaii 96813-2304  
Telephone: (808) 524-2822 • Facsimile: (808) 537-4177  
email: standrewc001@hawaii.rr.com  
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## CHAPTER MEETING February 23, 2010

### CALL TO ORDER- 5:00 PM

CHAPTER MEMBERS IN ATTENDANCE: The Right Reverend Robert L. Fitzpatrick (Bishop and Dean), Susan Hays (Senior Warden), Linda Beauregard-Axelson (Clerk), Arnold Carson (Treasurer), Devin Alford, Paulette Puaa Moore, Brother Jack Isbell, OFC, The Reverend Tony Litwinski, Leimalama Lee Loy, The Reverend Richard Shields, Ruth Merz, Ed Casebier, Max Sender, Paul Reeser and Eddie Aguillana

APOLOGIES: The Very Reverend Tim Sexton (Provost), John Condrey (Junior Warden), and Melvia Kawashima

STAFF: The Reverend Moki Hino (Canon Pastor), and John Renke (Canon Precentor)

GUESTS: Frank O'Brien, Cynthia Carson, Karen Sender

OPENING PRAYER & REFLECTION: The Right Reverend Robert L. Fitzpatrick

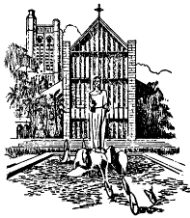
APPROVAL OF MINUTES – Minutes for 1/26/2010 were moved, seconded and approved as written.

### TOPIC: Capital Campaign Review

- Outline of Activities (Frank O'Brien)
  - A review was made of a sample pledge card.
  - A review was made of a sample Windows to Our Future Booklet.
  - There have been meetings of Campaign Committee.
  - There have been meetings involving Senior Warden.
  - There have been meetings with members of legislature.
  - Action has been taken regarding grant writing.
  - There has been progress in moving forward.
  - Thanks was given to Chapter members and other for the extra effort and assistance
- Questions and Concerns (Susan Hays)
  - Shift the Red Mass to our Cathedral? It was noted that one half to one third of the attendance has been legislators; this is a Roman Catholic event. May be best for us to host it as an Evensong or a like service.
  - See Frank for tours of any of the buildings or grounds on the close.
  - Refer questions or requests for talking points to Frank.
  - Communications will be a strong effort, beginning with the e-news and Ka'Upena, covering internal publicity about status and needs of the Campaign. Focus will be on keeping the congregations informed as to the Capital Campaign activities.
  - \$25,000 - \$30,000 was recently received (grant money).
  - A date will be scheduled for a joint Capital Campaign Committee and Chapter meeting with the consulting firm.

### Discussions:

1. Consultants fee and lost year



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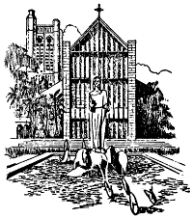
- a. Leadership – vision and mission internally to fulfill the Capital Campaign was not present
- b. Financial Reality – at the end of 2008 and through 2009 has driven us as a Chapter to focusing on how to balance budget and live within our means.
2. We – the Cathedral (leadership) – didn't understand what we were getting into (what was required of us). Heavy lifting by leadership, key lay persons, and grant writers, among additional key individuals - we haven't had the mechanism of how we call upon assistance with running the Capital Campaign.
3. Communication – Frank will focus on communication. Refer people with questions to the newsletter and the website – there will not be announcements in church services. Barry has tremendous influence with legislators. Without the consultants there is no Capital Campaign; they are the ones who give us the credibility for what we do.
4. How are we going to fund Windows of Our Future this year? Ideally, a Capital Campaign would have been formed, and the Capital Campaign Committee would have produced a budget to support the Capital Campaign.
  - a. Recommendation: The Finance Committee will work with the Bishop to come up with a plan. Consultants have recently been asked for guidance on building a budget and other operational actions. There was an assumption made at the time of the signing of the contract, that we would be ready to move forward, but we were in fact, not ready.
5. Calendar - Is there a strategy with milestones and wins identified? A calendar of events has been provided by the consultants; that differs from a strategy with milestones and wins.
  - a. Recommendation: A conversation should be held between Chapter members and the consultants to address such issues as the scope of the Campaign, measures of success, and thresholds that could be viewed as possible mission-abort status.
6. The goal of \$6.2M has not changed. The menu has been printed; no changes to the menu can be made at this time.
7. Contract ends in June at which time we need to make some decisions about how next to proceed (renew the contract or otherwise).
  - a. When we reach certain identifiable thresholds, we can declare success at that point.
  - b. The organization can always continue to campaign beyond the end of any contracts. The Capital Campaign Committee can make recommendations as to how long to continue to work with consultants. It is a question of how we build the structure around the campaign.
8. Further questions or comments should be provided to the Senior Warden, who will in turn provide them to the consultants. A report of questions and responses will be made at next Chapter meeting.

Bishop's observations on the Bell Curve of church life.

- 5 or 6% of the people who are very visionary.
- 10% are real leaders – get them on board.
- 10% see the glass as half empty and dirty – will never get them on board.
- 10% are totally negative.
- Forget about the last two groups and focus on the middle ground as they will follow, and with good ideas. Most are generally positive; some are in the middle. We have failed to address them; communication is key to bringing them on board.

TOPIC: 2009 Financials (Arnold Carson)

- "Blessings" 25% and Capital Improvement Fund
  - Initially happy with cash reserve; reality check on the daily expenditures



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- 25% of the Hale Nui wedding reenactments were designated to go into the capital improvements fund.
  - a. In 2006 we put in 193K into capital improvements (25% of wedding reenactments for that year)
  - b. In 2007 we contributed \$97,000.00
  - c. In 2008 we contributed \$0.00
  - d. In 2009 we contributed approximately \$74,000.00 (our surplus for the year).
  - e. To the degree that we could not pay the 25%, the figures were put on the books as liabilities. We owe ourselves \$400,000.00 because of the intention.
  - f. On an operating principle – in the budget we will set aside the approximately \$74,000.00 and not use it for operating funds. Surplus from the operating fund can go into the endowment. It's an easy method because no changes have to be made, but it's illusionary.
  - g. Keep in mind that no previous Chapter can encumber a future Chapter on money that was not restricted by a donor.

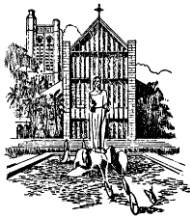
## Discussions:

- Provost acted in good faith in trying to fund the capital improvements; was asked to present his understanding of the restricted funds at a Chapter meeting.
- Belief was that intention needs to be validated each year by the Chapter; more than an intention to put 25% of the wedding reenactments into the capital improvements on the budget.
- Should Chapter make a conscious decision to make the allocation or further intention to designate the 25% of the wedding reenactments into the capital improvements?
- Chapter needs to consider how funds are budgeted in the future – ex: put money into endowments, which are a slow road to financial health. If \$200,000.00 is designated every year to go into the endowments, over the course of 10 years the fund increases well, but with tremendous discipline to do so.

## Questions and Concerns:

- Where did funds go that we didn't contribute to endowments or otherwise? It was actually an I.O.U. From a paper perspective we acted as though the funds were included in the budget. From an operational perspective, Chapter did not include the funds in the budget the Chapter approved, therefore it does not exist.
    - a. Recommendation – zero out the 2009 book with no \$200,000.00 liability.
  - If funds went through the operations budget it is subject to assessment, so the funds are subject to assessment for 2011.
  - The Parochial Report is due to the Bishop's office March 1<sup>st</sup>.
    - a. Are we going to commit 25% of the Blessings from 2009 to Capital Improvements?
    - b. Are we going to forgive ourselves for the liabilities we already have?
    - c. Whatever the amount of the surplus, is that going to cash, endowments, or capital improvements?
- It was moved and seconded to rescind the transfer of \$200,000 of 2009 funds to restricted funds.

Discussion: Chapter made no decision or recommendation with regard to the "surplus" of 2009. It is left in the reserve (checking account) by default until such time as Chapter moves to spend it or take other action.



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- The motion was carried by unanimous vote.

Discussion: back out the liabilities of 2008 and 2007 since those are liabilities that do show on our balance sheet.

- It was moved and seconded to direct the treasurer to further research that and come back to Chapter with report.

Discussion: the way the Chapter can live up to the intention is to budget that amount. Once Chapter receives the treasurer's report – do we want to start fresh, or renew the intention and decide how to do so? Which case will be most expedient for us to do?

- The motion was carried by unanimous vote.

## TOPIC: Approval of 2009 Final (as amended)

Discussion: Accept the report as printed; closing out 2009 budget as it stands with approximately \$74,000.00 as surplus. Referencing the balance sheet; under liabilities, pg 1, Fund Principle – there is a positive balance. Accepting the 2009 budget as it stands with the surplus means adding approximately \$74,000 to that positive number. Any actions taken on the cash reserves in 2010 would appear on the 2010 books.

- It was moved and seconded that Chapter accept the 2009 financial statements as previously amended, which recognizes an operating fund surplus of approximately \$74,000.00.
  - (the first one that accountant sent out)
- The motion was carried by unanimous vote.

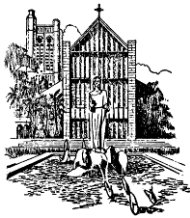
## TOPIC: 2010 Pledges and 2010 budget questions (Senior Warden's Report)

It was noted that the Cathedral is bringing in more money than ever.

TOPIC: WOSA: Bishop observed that canonically, no organization can exist outside of the by-laws without oversight of the Cathedral Dean and Chapter. If there are assets, the Chapter can choose to relegate the assets to another existing organization (such as a thrift shop) that falls under the oversight of the Dean and Chapter. Chapter is responsible for their money. There may be restrictions by the donor that Chapter will have to honor. Bylaws of WOSA exist, but WOSA does not exist without Chapter oversight. According to the WOSA bylaws every baptized member of the Cathedral is a member of WOSA. Chapter will have to decide how to deal with whatever action is decided upon during the meeting on Feb. 27<sup>th</sup> 2010. Chapter would ultimately approve how any money is spent, depending upon the structure of the relationship. Chapter can change the membership of the foundation at will. It was noted that Kevin Herring is running the meeting on February 27<sup>th</sup>. It was also noted that WOSA was originally a women's organization at a time when women could not hold offices, etc., before it evolved into the Workers of St. Andrew. WOSA became an entity that was not just workers of St. Andrews, but an entire congregational membership entity. It is unfounded that a Chapter ever approved the existence of WOSA.

## ANNOUNCEMENTS:

The Bishop reminded the Chapter that St. Paul's Episcopal Church has worshipped in Parke Chapel for over fifty years. It is numerically the largest congregation in the Episcopal Diocese of Hawaii'i and receives no financial aid from the Diocese or from the Cathedral. While most of the members are Filipino, the congregation should not be referred to as the 'Filipino Church,' but as an 'Episcopal Church' just like the Cathedral. St. Paul's Church is entirely self-supporting from the giving of its members and fund raising of the congregation. St. Paul's Church does provide shared building use payments to the Cathedral every month (\$1,000 a month). By making such payments, the average St. Paul's parishioner actually gives more from their personal giving to the upkeep of the Cathedral buildings and property than does any Cathedral member. Keep in mind, St. Paul's members must provide for the mission of the



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Church from the giving of the members, while the members of the Cathedral do not even support the staff and program on the giving of the members (and must depend upon rental and endowment income to maintain the current level of staffing and programming). The Vicar of St. Paul's Church must approve any use of Parke Chapel. St. Paul's Church is a full part of the Cathedral 'ohana.

The Evangelism Ministry report was submitted.

2010 Chapter Commissioned: Chapter member introductions will be made at both the 7:00 a.m. and 8:00 a.m. services, and Commissioned at the 10:00 service.

NEXT MEETING: Next regularly scheduled Chapter Meeting is March 23, 2010.

ADJOURNED: 7:00 P.M.

Respectfully submitted,

/s/

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Linda Beauregard-Axelson, Clerk  
(Signed Master Copy of the minutes is on file in the Cathedral office.)