

Christ Church Episcopal

APPROVED Minutes from Vestry Meeting

April 28, 2009

Vestry Members in Attendance: Bill Beattie, John Daylor, Rick Elliott, Elizabeth Franklin, Joe Gallagher, Jr. Warden, Amy Goodman, Marc Halbritter, Sr. Warden, Melinda Hancock, Shelley Putney, Registrar, Mike Richards, Dave Soule, Ted Susac, Dave Wasik, Treasurer, Jim Wheeler

Staff in Attendance: Paul Johnson, Rector, Hillary West, Assistant Rector, Sarah Fogler, Director of Parish Operations

Guests: Lee Shepherd, Sr. Warden and Reverend David Niemeyer – St. Francis Episcopal Church; Kathy Nunn, CCE Accounting Analyst, Mac Thayer – Building Steering Committee – Youth Building, Mark Hansell – Building Steering Committee, John Napier

Report from St. Francis Episcopal Church – Lee Shepherd & Reverend David Neimeier:

Lee and David joined the vestry for Eucharist and dinner and offered a report on St. Francis, established by the Diocese in 2004 to serve far western Henrico and the eastern and central portions of Goochland counties. A building campaign was launched in 2006 for construction on church property on Hockett Road in Goochland County. The church encountered some difficulties and has temporarily postponed construction, although they remain committed to building in the future. Lee thanked CCE for its 'extremely meaningful support of St. Francis over the years'. He reported that the St. Francis' congregation is very cohesive, committed to the original vision of the Diocese. David has been serving as Supply Pastor for the past nine weeks and as Lee reports, has brought a great openness to St. Francis. The congregation is currently meeting in Randolph school, but would like to find a new space in which to meet near the site of St. Francis' future home on Hockett Road.

Financial Report – Dave Wasik, Treasurer

- Revenues –
- March revenue exceeded budget by \$21K, \$134.4K vs Budget of \$113.4K
- YTD revenue is \$15K ahead of budget, \$310K vs budget of \$295K, and running ahead of first three months of 2008, \$310K vs budget of \$298K
- All of the positive variance is driven by favorability in pledge income. Non-pledge and loose plate are slightly behind forecast.
- Expenses –
- March expenses were \$18K favorable, \$80.8K vs a budget of \$98.6K

- Expenses running \$33 K favorable to budget YTD, \$264K vs budget of \$297K
- Variance is driven primarily by favorable variances in outreach, music, youth and children's ministries. These variances will be made up later in the year.
- Additional expense reductions are still needed to bring budget closer to being balanced.
- Contribution –
- YTD contribution (revenues minus expenses) is running \$48K ahead of budget, a \$46.5K surplus vs a budgeted \$1.7K deficit
- Current 2009 Outlook is a deficit of \$40K to \$50K. Additional actions must be taken to balance the budget.
- Cash Position –
- Cash position is very strong with an unrestricted cash balance of \$275K
- As we agreed, we moved \$40K from 'Vestry Designated Funds' to 'General Funds', which combined with March's surplus leads to a very good cash position.
- March will likely be the peak cash position for the year.
- Updated Budget Forecast -
- We have reforecast 2009-2010 revenue, expenses and contribution based on 1st Quarter Actuals and more up to date projections
- Projected deficit is \$51K for 2009 and \$74K for 2010.
- Identifying specific additional expense reductions and revenue increases totaling at least \$31k to reduce the projected 2009 deficit to \$20K is recommended.
- Growing with the Generations Monthly Update –
- Total pledges remain at \$1,608K, down from \$1,678K at year end
- Total cash received in March was \$86K, for a total for the capital campaign of \$459K. This is consistent with expectations thus far
- We are in the process of working with SunTrust to secure a construction line of credit
- The Building subgroup (vestry committee) has come back with a recommendation to move forward with all aspects of the building program.
- Other –
- Lydia's Purse, parishioner-funded discretionary fund to aid those in financial crisis, has been established as a restricted account, and had a balance of \$11K as of the end of March.
- Vestry reviewed Quarterly Revenue, Expense and Contribution Reforecast for 2009 and 2010 along with recommended expense reductions to reduce full year 2009 projected deficit to \$20k. Vestry Budget Subcommittee will return with proposed actions in next few weeks.
- Thanks to staff, ministry heads and vestry for closely managing expenses for the first quarter of 2009.
- Paul challenged Vestry to have a significant conversation about 'What Stewardship Is'.

- **There was a motion to approve March and YTD 2009 Financials. The motion was seconded and approved.**

Appointment of Budget Review Committee –

A committee was appointed to develop a plan to close the remaining budget shortfall. This committee will be comprised of the following individuals: Dave Wasik (Chair), Amy Goodman, Dave Soule, Mike Richards, Bill Beattie and Joe Gallagher. The committee will submit its recommendations at the May vestry meeting.

Warden’s Report – Marc Halbritter and Joe Gallagher:

- **Vestry Building Subcommittee Report and Recommendation:**
- **Background:**
- Two years ago, CCE agreed upon a three part building plan: expand our sanctuary, create a Parish Life Center, and create a permanent home for our music ministry. We launched Growing for the Generations with overwhelming support.
- Then, the economic climate changed. Long term financing was no longer felt to be prudent. The Building Steering Committee was charged with exploring other options. Viable solutions were proposed that not only met the original needs, but worked within the financial constraints that CCE felt was desirable.
- At the Annual Meeting on February 8, 2009, we approved: (1) Expanding the sanctuary; (2) Building a new youth space in lieu of the PLC, (3) Building a music/meeting space off of the sanctuary (also in lieu of the PLC).
- 88% of the congregation supported moving forward with the above plan.
- **Recommendation:**
- The vestry sub-committee assigned at the 3-09 vestry meeting held multiple meetings, analyzed project costs, funds on hand, pledges and fulfillment rate, availability of construction financing, created an integrated assessment model and used it to perform ‘what if’ scenario testing.
- The sub-team evaluated three options for building: (1) “build it all now”, (2) phased, and (3) pay-as-you-go. The team members were unanimous in recommending the ‘build it all now’ option. This option offered the lowest risk in the following areas: campus disruption, inflation exposure and construction costs. The highest risk under this option is the ‘pledge collection risk’.
- This option projects the sanctuary to be ready by end of 2009, the music space to be complete by early 2010. The Youth Space to be complete by April, 2010.

- Pledges are going well with 28% fulfilled after only three months (8%) of the three year collection period.
- By the end of 2009, we expect to have collected 46%, with the remaining amount received equally in 2010 and 2011.
- Pledges in all brackets are doing well.
- There will be a need for a construction loan due to the fact that there will be a point when draws for the project will exceed the cash on hand. It is projected that this loan will be paid off when pledges are fulfilled. The interest expense for the construction/ bridge loan is projected to be \$39,520.
- **The following recommendation was made:**
 1. Move forward. Build it all now.
 2. Assign the BSC to oversee the construction of the project within the established budgets.
 3. Require regular updates from BSC on the building project, including progress made since last report, status of expenditures compared to budget, significant issues, and any needed vestry action.
 4. Enter into a construction/ bridge loan with SunTrust to handle financing needs.
 5. Task the ‘Growing for the Generations’ campaign team to implement a process to monitor pledges, manage their fulfillment and seek others to join the campaign and/or increase their support.
- **The following motions were made: Resolved that the wardens of Christ Church are authorized to execute the term sheet with SunTrust Bank and to take all actions necessary to implement the provisions of the term sheet. Resolved, that Christ Church move forward with the entire Project. Further Resolved that the wardens of Christ Church are authorized to enter into the contracts necessary for construction of the Project as presented at the April 28, 2009 vestry meeting so long as the bids are within the amount budgeted for the Project. The motions were seconded and carried.**

Building Steering Committee Update – Mark Hansell

- Revised (2nd revision) POD submitted to Henrico County 4-24-09. This included music wing off NE corner of the sanctuary. It also included removal of PLC from plans per County’s direction.
- BCWH is working through final stages of construction documents.
- Upcoming milestones include: BCWH to issue final construction plans for permit and pricing by 4-28. CCE to file for a building permit once plans are ready. Century Construction to submit pricing with an option for the music wing construction 5-17-09.

Youth Center Ministry Team – Vestry Building Update – Mac Thayer

- This group, which is reviewing and recommending actions relating to the multi-purpose Youth Center, has held four meetings to date. They have defined scope of work for the Youth Center using 7,000 square feet. They have shared the scope of work with Century and Defoggi Construction. There are two possible construction approaches: ‘Pre-engineered’ and ‘Concrete Block/ Free Build’. Budget is \$588,000.
- Both contractors approve of the site.
- The Team asked vestry for final approval of the site – adjacent to the parking area and just west of where the trailers were located.
- **There was a motion for vestry to give final approval for the site. The motion was seconded and approved.**

Scholarship Policy – Ted Susac, Amy Goodman and Jim Wheeler

- A new scholarship policy was presented. This policy will govern how scholarships are to be provided at CCE. The intent of the policy is to maximize the number of people who can participate in CCE functions and to empower ‘Authorized Approvers’ to make decisions on awarding scholarships in a consistent and fair manner. ‘Authorized Approver’ is any one of the following from CCE: Clergy, program minister, Pre-school Director, one of the Wardens or the Treasurer.
- A copy of the Scholarship Policy will be available in the church office.
- **There was a motion to approve the Scholarship Policy as presented. The motion was seconded and carried.**

Appointment of Membership Committee –

This committee will be comprised of the following individuals: Mike Richards (Chair), John Daylor, Elizabeth Franklin, Elaine Champion, Rick Elliott and Paul Johnson. The committee will review and make a recommendation to vestry on what ‘membership’ means at CCE. This subject has been discussed at many Newcomers Ministry Team Meetings. This committee will work to move the discussion forward and to take necessary actions to define membership.

Staff Report – Sarah Fogler

- There was discussion of the need for A/C unit with zoning in the church house. Lack of uniform cooling and heating has been a long time problem for those who work in the church house. The cost for a new unit is \$5,000. This discussion was tabled pending a

determination of whether funds in 'Restricted Building Maintenance Account' and/or budgeted expenditures for 2009 could be used to cover the cost of the improvements to HVAC system.

- There was recent theft from the CCE mailbox. The box is being moved to the back of the parking lot to prevent future theft.
- Direct Giving (ACH) is available to anyone who would like to make their offering via this method.

Rector's Report – Paul Johnson

- A new Children's Minister has been hired. Rebecca Guzman will graduate from Union Seminary with a Master of Religious Arts in June. Rebecca previously served as the Children's Minister and DCE of a Presbyterian Church in South Carolina. She has great ideas and energy and comes highly recommended by the search team!
- There was a recap of the Leadership Council Meeting, which was recently held on a Saturday morning with ministry team heads and vestry. The meeting was led by Paul.
- Worship Services in June through the summer will be held at 9:00 am and 10:45 am on Sunday morning. This schedule should allow us to better focus on worship. This schedule may continue into the fall.
- We will have a 'paperless' Sunday once a month with songs and prayers displayed on the screen, rather than in bulletins.
- The mission trip to Haiti is scheduled for early June and is being led by Susan Bruce. Hillary will attend as staff representative.
- All are encouraged to bring canned goods and other non-perishable food items on the first Sunday of each month.

The meeting was adjourned with prayer at 10:00.

Respectfully Submitted,

Shelley Putney

Registrar