

**Vestry Meeting
December 15, 2008**

Approved – January 14, 2009

Vestry Members in Attendance: Dave Soule, John Napier, Karen Akens, Sr. Warden, Joe Gallagher, Mary Ann Cooley, Amy Goodman, Ted Susac, Elaine Champion, Marc Halbritter, Jr. Warden, Rick Elliott, Dave Wasik, Treasurer, Shelley Putney, Registrar

Staff in Attendance: Paul Johnson, Hillary West, Sarah Fogler

Building Steering Committee Representatives in Attendance: Bill Beattie, Mark Hansell, Ken Royston

Capital Campaign

Pete Gallagher

Eucharist was celebrated at 6:00.

Building Steering Committee - Bill Beattie, Mark Hansell, Ken Royston

There was a motion to move forward to provide for the design of the music space from 'Vestry Designated Building Fund' at a cost not to exceed \$30K. This motion was seconded and carried.

- Although pledges for 'Growing for the Generations' have been generous and support for the original plans were strong, pledges are not high enough for CCE to move forward with the original plan that was approved by the congregation. Therefore, other options are being explored.
- The Building Steering Committee (BSC) has identified potential options for the Vestry that would fulfill the three main needs that the congregation highlighted during the feasibility study: expansion of the sanctuary, space for youth/ multi-purpose and space for the music ministry.
- Communication with and consent from congregation is essential in regards to the options being considered.
- The options identified would increase seating in the sanctuary, improve sight lines and A/V, offer a meaningful space for the music ministry, provide some multi-purpose options, maintain the parlor for children's chapel and other needs. The options include the possibility of stand alone, multi purpose metal building primarily for youth that could include a basketball court. This space would allow youth ministers to significantly grow CCE's youth program at a low cost per square foot.
- The PLC is still needed for the long term and will be built when we are in a position to pay for it
- The BSC will come back to Vestry in January with a due diligence report, specifically regarding development of plans for a metal building, and a final recommendation for the building project.

- Sarah has met with staff for input regarding the options. Staff has been supportive of the options, including the metal building.
- The design of the music room will cost at most \$30K (to BCWH). No additional approval is needed from the county for the music room.
- **There was a motion to move forward to provide for the design of the music space from ‘Vestry Designated Building Fund’ at a cost not to exceed \$30K. The motion was seconded and carried.**

Request for Approval of Preschool Budget – Shelley Putney

The 2009-2010 CCE Preschool budget was presented. A motion was made to approve the CCE Preschool budget. The motion was seconded and carried.

Review of November Financials & Discussion of 2009 Budget – Dave Wasik

There was a motion to approve November financials. The motion was seconded and carried.

November 2008 Financials:

- November revenue was \$19k favorable to budget, \$141k vs budget of \$122k
- YTD total revenue is \$25k below budget, \$1,052k vs budget of \$1,077k
- Contribution income is \$33k below budget, \$1,044k vs \$1,077k.
- November expenses were \$47k favorable, \$76k vs a budget of \$123k.
- Expenses running \$116k favorable to budget YTD, \$1,127k vs budget of \$1,243k.
- Variance driven primarily by favorable timing of outreach spending and salary/ benefits (deferral of 3rd clergy), offset by youth overspending.
- YTD contribution (revenues minus expenses) running \$90k ahead of budget, a \$75k deficit vs a budgeted \$165k deficit.
- Our 2008 outlook is a deficit of \$30-\$50k.
- Cash position is significantly improved from last month, with unrestricted cash balances of \$137k (up from \$71k in October).
- Expect cash position will improve further in December.
- We had a planning review with all of the ministry leads and staff.
- We have an updated budget outlook for 2009 that incorporates the expense submissions from the ministry teams.
- Principles on closing the projected 2009 budget gap are as follows:
 1. We will handle any staffing discussion with the highest degree of discretion and respect.
 2. We will get to a balanced budget, since the downturn will likely worsen.
 3. We will need to be more overt and active in asking the congregation to help CCE financially.
 4. We will maintain our commitment to our Diocese and outreach.
 5. We will not take on a mortgage.
 6. The budget will be fluid. This fluidity will be especially important in 2009. We will re-evaluate the budget on at least a quarterly basis.

Budget - 2009

- Revenue Projections for 2009: As of December 9th, there were 346 pledges for \$896K. We are still projecting total pledges of \$950K and total income of \$1,069K. A breakdown is as follows: \$913K from pledge income (collection rate of 96%), \$26K from loose plate (vs \$24K 2007 actuals), \$130K from non-pledge income (vs. \$129K 2007 actuals).
- Expense Projections for 2009: Current submitted scenario includes expenses of \$1,391K. This includes Salary/ Benefits of \$821K, Administrative costs (office, B&G) of \$250K, Ministry of \$283K and Building Fund set-aside of \$42K.
- Current view of Revenues and Expenses for 2009 would create \$322K deficit, if no action is taken. This deficit assumes current staff with 3% salary increases, 10% of pledges going to Missions & Outreach, \$50K Diocesan pledge. There are two rounds of proposals for reducing this deficit from \$322K to \$150-\$160K.
- The first expense reductions (totaling \$99K) will include the following:
 1. Suspension of \$3,500 per month building set aside (\$42K),
 2. Broadening definition of 'Outreach' to include clergy discretionary funds (\$5K) given that these funds go to assist parishioners in need,
 3. Elimination of salary increases in 2009 (\$19K),
 4. "\$4,800 will be allocated to clergy discretionary funds. We tentatively agreed that this \$4,800 would lead to a reduction in the combined missions/outreach budget, but agreed to revisit that decision during the January meeting." (*Amendment to December minutes.*)
 5. Placing interest revenue into general fund (\$15K).
- The second round of expense reductions (63K) would include the following:
 1. Utilize \$40K of existing vestry 'set aside' for building project (from monthly \$3.5K set aside).
 2. 10-15% reduction in ministry spending (\$12-18K).
 3. Request \$5K gift from CCE Preschool
- Combined reductions leave a deficit of \$160K.
- Other request and ideas for closing the gap were discussed.
- There was also a request for Additional analysis on pledging patterns, which Dave Wasik and Kathy Nunn took as a follow up.
- The general consensus was positive regarding both rounds of proposed reductions.
- Outreach Ministry Team: There had been a temporary hold placed on \$15K of this ministry team's spending at the November vestry meeting. This restriction was budget related. **A motion was made to remove this restriction. The Outreach Ministry Team will be able to spend their full budget for 2008. In addition, the Outreach Ministry Team will spend an additional \$2K which will be offset by a \$2K transfer from the Missions budget. The Missions budget will be reduced by an additional \$3K, which will reflect the fact that our 2008 pledge income is roughly \$30K below budget. The motion was seconded and approved.**

Warden's Report – Karen Akens & Marc Halbritter

- Elaine Champion has coordinated a Prison Pen Pal program. This program will provide spiritual guidance to young men who have no positive contact outside of the prison.
- Vestry retreat is scheduled for the weekend of February 28 – March 1 at Shalom House in Montpelier.

Rector's Report – Paul Johnson

This is Senior Warden, Karen Akens', last vestry meeting. Paul and Vestry gave thanks for Karen's true dedication, deep commitment and extraordinary service as a vestry member and especially as Senior Warden.

Following Executive Session to discuss personnel matters, the meeting was adjourned at 9:30 pm.

Respectfully Submitted,
Shelley Putney
Registrar