

**Christ Church Episcopal
Special Vestry Meeting
January 9, 2008**

Approved Minutes

Vestry Members in Attendance: Mike Bucci, Mary Ann Cooley, Karen Akens, Jr. Warden, Lilly Andrews, Sr. Warden, Marc Halbritter, Kathy Guin, Dave Wasik, John Napier, Pam Board, Shelley Putney, Ken Royston

Staff in Attendance: Paul Johnson, Hillary West

Guests in Attendance: David Guin, Bill Beattie

Purpose of This Meeting: Paul began the meeting by stating that we will not be taking any votes tonight. Paul stated that there are three questions before us:

1. What is the Vestry's position on setting aside a tithe from money received from a capital funds ministry?
2. What is the Vestry's position on indebtedness?
3. What will we build with the money raised? In other words, what are our building priorities depending on how much money is raised?

David G. distributed copies of a one story scheme for the Parish Life Center for Vestry to look over. David stated that he really likes this plan and is also happy with the elevations as shown on the handout.

Bill distributed a handout with financial considerations for the Parish Life Center and Sanctuary Expansion. Bill reviewed the handout with Vestry and stated that the handout assumes that we would build the Parish Life Center first, and with the remaining funds raised would go towards sanctuary expansion and improvements. The handout presents several scenarios including what can be built if 3.3, 2.75, or 2.2 million is raised in a capital campaign. The handout gives good breakdown on costs for both the Parish Life Center and the Sanctuary expansion and improvements. Considerations of a tithe and indebtedness were also included.

A question was raised to Bill and David about priorities for the sanctuary. Their response was that a new vestibule, new milling area, new nursery and restrooms, and former milling area renovations are the priorities.

Bill stated that we would not have a mortgage until 2012.

Capital Campaign Consultant: Marc stated that he, Karen, Pam, and Shelley have talked to some capital campaign consultants about how a consultant's role could fit into where we are with our building considerations. Marc stated that the consultant's complimented our communication plan and said that they would modify their process a little to accommodate our needs. Two of the consultants recommend a feasibility study, which Marc feels has significant value to us. This study would help us get a feel for what

the congregation thinks about a tithe, indebtedness, etc. Marc described how the consultants run their feasibility studies.

Paul requested that the capital campaign group have a recommendation on which consultant to hire at our meeting next week. He suggested that the group present why the consultant is the right fit us.

Paul stated that at the meeting next week Vestry should come to a decision on where we stand on making a tithe with money raised from the capital campaign. He stated that we should make a final decision on how much debt we are willing to take on for the building project, and we should also decide between a one or two story Parish Life Center.

There being no further business, the meeting was adjourned.

Respectfully Submitted,
Mary Ann Cooley, Registrar

**Christ Church Episcopal
Vestry Meeting Minutes
January 16, 2008**

Approved Minutes

Members in Attendance

Lilly Andrews, Sr. Warden, Karen Akens, Jr. Warden, Pam Board, Mike Bucci, Mary Ann Cooley, John Napier, Mark Halbritter, Ken Royston, Ted Susac, Dave Wasik, Shelley Putney.

Staff in Attendance

Paul Johnson, Hillary West.

Guests in Attendance

David Guin, Kathy Nunn, Ron Andrews, Joe Gallagher, Amy Goodman.

Approval of Minutes

A copy of the December 17, 2007 minutes was distributed prior to the meeting for review and comments. **A motion was made to accept the December 17, 2007 minutes. The motion was seconded and carried.**

Youth Ministry Training Program Update

Ron Andrews reported on the findings of the team that was formed in September to explore the possibility of developing a youth minister training program at Christ Church. The group addressed the following:

- 1) Is there a gap in youth ministry training opportunities (especially in the Episcopal Church)?
- 2) If a need was found, should Christ Church develop a youth ministry internship program to fill the need?

The findings of the team were mixed. They found a few Episcopal programs (Diocese of South Carolina and St. Stephen's in Richmond) and a number of internship-type programs within a number of seminaries focused on youth ministry (Union and Virginia Theological Seminary). The team found a lack of organization and awareness regarding the training that exists with no central source that may guide churches looking to hire youth ministers or those looking to pursue training. There were mixed findings on the availability of qualified youth ministry candidates. The team found the largest opportunities to be in the areas of discernment and recruitment. Due, in part, to the lack of clarity regarding the youth ministry career path, a lack of clear training and job expectations, the youth ministry field does not have enough qualified entrants pursuing this path.

The team's recommendation: That Christ Church look to partner with St. Stephen's Episcopal Church in their internship program to see how our vibrant ministries may work together. Secondly, that we consider putting forth a 'call to action' to the Diocese and, potentially, to the ECUSA, recommending that the Church sponsor a study of the recruitment/ discernment challenge and review the possibility of providing more structure to the youth ministry position across the Church.

Scholarship Policy:

Ted Susac provided vestry members with a draft of the Christ Church Scholarship Policy prior to the meeting and asked for input. Lilly stated that the policy is being drafted in order to establish clearer guidelines for granting scholarships; and that congregants' personal financial information/concerns should be handled by Paul and/or Hillary, and not by other congregants. The draft policy defines 'scholarship', and outlines Christ Church's intent to provide all parishioners fair opportunity and access to all activities. The policy states that individuals requesting scholarships are to be referred to available clergy. General guidelines of the policy outline when the awarding of scholarships would be appropriate.

Paul stated that this policy focuses on scholarships only. It does not focus on subsidies. Pam asked whether: a) There will be one restricted 'scholarship account' to cover all ministry teams, or b) There will be a separate line item in each ministry team's budget for scholarships with each ministry team being limited to that set amount for scholarships. Dave Wasik answered that in the past that 'scholarship' has been a separate line item in each ministry team's budget. The new policy will leave **subsidies** with individual ministries, but will take need based scholarships out of individual ministry budgets and will allow clergy to make the decision on scholarships. Vestry agreed that the occasional practice of 'one member of the church applying for scholarships from another member' needs to stop.

Ted and Hillary will continue to work on a final version of the policy to be adopted by the Vestry at a later date.

Fundraising Policy:

Lilly provided the new Fundraising Policy to Vestry for review at the December Vestry meeting. In the future, Vestry will not review specific fundraising requests unless clergy recommends Vestry review.

The New Fundraising Policy is as follows:

1. Only ministries sponsored by CCE may hold fundraising activities during CCE sponsored events.
2. All requests for fundraising activities and events are to be submitted to Josie Sicheri in the Church Office a minimum of 2 months prior to the date of the proposed event. Please contact Josie in the Church Office to receive a fundraising application form.
3. Each request will be reviewed by an appropriate staff member. When necessary, and when in the pastor's discretion it should be reviewed by Vestry, it will also be taken to Vestry for approval.
4. The following guidelines will be used to grant approval of any fundraising request:
 - a. Does the request come from a CCE sponsored ministry team?
 - b. Based on other requests the office may have received, and other church activities, does the request fit into the CCE calendar?
 - c. Does the proposed fundraising activity coincide with the community culture of CCE?
5. Because worship is our most important gathering as God's Church, and because the worship experience begins the moment one steps out of one's car and continues through one's departure, any fundraising activity around worship services will be limited according to the discretion of the staff and/or, when necessary, the Vestry in order to ensure that the worship experience for the congregation and our guests is in no way diminished.

There was a motion to approve the new Fundraising Policy. The motion was seconded and carried.

Financial Report and Budget:

Dave Wasik, Treasurer and Kathy Nunn (Accounting Analyst) presented.

Financial Report:

Prior to Vestry meeting, the financial report was submitted for review to all vestry members. Dave Wasik reported that there is a year to date surplus of \$144k versus a budgeted deficit of \$13k. For December, there was a surplus of \$84k versus a budgeted deficit of \$63k. Dave stated that 2007 'Contribution Revenues' (comprised of pledges, loose change, non-pledge) ended \$8k above budget, but 'Special Gifts' of \$68k added significantly to that variance.

Pledge collection rate for 2007 was 97%, which is excellent and above forecast (+\$49k). Non-pledge income and loose plate ran below budget for the year (-\$40k). 2007 Expenses were significantly better than forecast, driven by staffing vacancies and a strong focus on expense management by our ministry teams. For the full year our expenses were \$80k lower (favorable) to budget. This excludes non-cash expenses associated with the trailers.

During December, we funded \$22k to replace our hymnals. This money will be set aside in a restricted account and will be spent over the course of that project.

Our cash position is very strong as a result of high collection income in December. We have slightly more than our target of two months' operating expenses on hand. We have updated our proposed budget based on the latest pledge numbers and updated assumptions.

Recent events have made us revisit our security and cash handling procedures. As a result, we have purchased two new safes; one for each of the office and the sacristy. Also, our procedures will be tightened to more carefully manage when and how often cash is deposited in the office safe. Mary Ann asked if written procedures would be distributed to Vestry. New procedures will be distributed.

Dave Soule asked if 'Special Gifts' are shown as 'Revenues' on the Income Statement, and whether a specific expense is matched to 'Special Gifts'. Dave Wasik and Kathy Nunn answered that they understood Dave's concern and will review the classification of 'Special Gifts' and expenses related thereto.

Budget:

The 2008 Budget was approved at the December 17, 2008 Vestry Meeting.

Dave Wasik reported that 2007 ran at a significant surplus, which was driven by a high pledge collection rate (97%), special gifts and lower expenses. December was a strong month, especially for pledge income. Our cash position (\$342k) is strong at the moment; slightly more than two months of operating expenses (\$222k). However, 2008 will see significantly higher expenses even though many budget priorities are not being met. The 2008 budget includes a monthly 'mortgage payment set aside' of \$3,500. We are also paying \$2,500 per month to lease trailers. If plans for PLC and Sanctuary Expansion are approved, this \$6,000 per month will help to prepare us to pay future mortgage (or will be used for operating expenses of PLC). Monthly mortgage payments on the PLC and/ or Sanctuary (if approved) would begin in 2012 when the construction loan would convert to a permanent loan.

There was discussion about budgeted collection rate of pledges. Based on actual 97% collection rate in 2007 (versus anticipated rate of 92%), budgeted collection rate for 2008 could be increased. There were comments regarding the fact that Christ Church has historically approved faith based budgets, which have been increased annually.

There was a vote to amend the 2008 Budget as follows: 'Projected Collection Rate' will be increased to 96%. 'Budgeted Non-Pledge Income' is being increased by \$10k to \$140k. This will result in a 2008 budgeted deficit of \$72,595. A motion was made to approve this amendment to the 2008 Budget. The motion was seconded and carried.

Building and Grounds:

Mike Bucci, vestry liaison to B&G asked for Vestry approval of the installation of in-ground fiber optics. The optics will be plugged into the alarm system. Cost is \$14,000. A motion was made to approve this request contingent upon Building & Grounds Ministry Team verification of the following:

- 1) That these improvements will work with the overall infrastructure and with voice over IP phones.
- 2) Funds are to be taken from the Capital Reserve Account (for improvements).
- 3) This will not need to be redone after completion of proposed sanctuary improvements and PLC.

A motion for approval was made, seconded and carried.

Building Steering Committee (BSC):

David Guin provided an update with the BSC report and decision regarding the hiring of a general contractor (GC).

David Guin stated that the list of possible general contractors has been narrowed down to KBS and Century. Both of the GCs have submitted proposals. The BSC is ready to interview these two GCs to determine which will provide pre-construction services to CCE. Although CCE will be contractually committed only for pre-construction services, there was discussion concerning our moral obligation to continue through the entire project with the GC that is chosen for pre-construction services. David Guin stated that we are choosing the GC now, not in July or August.

The RFPs (request for proposal) submitted by KBS and Century are evaluated by the BSC based on: degree of responsiveness, degree of thoroughness and financial terms. The RFPs are broken down into three parts: 1) pre-construction costs; 2) general conditions (costs for being on site, trailer, trash etc); and 3) overhead and profit. Pre-construction services will run from February through August and will be no greater than \$15,000. The Pre-construction Services is the period in which the contractor ensures that total projected costs for the project are on target. David stated that we are in the interview phase now, but we will actually be signing up to work with the chosen contractor for the next 2+ years. We will sign two contracts. BSC will give Vestry a recommendation for the General Contractor. If the decision between Century and KBS is clear, David Guin will circulate an email for approval. If the BSC feels that the decision is less than clear, Vestry will meet to discuss and 'weigh in'.

A motion was made to: 1) authorize the BSC to proceed with interviews of the two candidates for General Contractor, and: 2) to authorize pre-construction services of up to \$10,000 and associated legal fees for review of the related contract. The motion was seconded and carried.

Capital Campaign:

Marc Halbritter distributed a report regarding the capital campaign consultant selection team's recommendation to hire the Episcopal Church Foundation (ECF) as our capital campaign consultant. The goals for discussion were: 1) to affirm the team's recommendation; 2) to authorize the negotiation and execution of a contract with ECF for a feasibility study (\$21k); 3) to authorize the negotiation (but, no contract prior to completion of the feasibility study) of a contract for the capital campaign consultation (\$45k); 4) obtain Vestry agreement on a preliminary timeline for the feasibility study and proposed capital campaign.

The preliminary timeline includes the following:

Jan 21 – sign contract for feasibility study;

March 10 – Direct mail/ handout or email survey to congregation;

March 23 – Surveys returned to ECF (consultant);

Early April – Survey results reported to CCE;

Late April – Congregational Vote;

September 15 – Campaign kickoff;

October 26 – Campaign ends.

A motion was made to accept the team's recommendations to hire ECF, to negotiate and execute a contract for the feasibility study, to approve the negotiation of a contract for the potential capital campaign and to approve the preliminary timeline for the feasibility study and proposed capital campaign. The motion was seconded and carried.

Building Decision – Proposed One Floor Parish Life Center (PLC):

Karen Akens opened discussion. Although a one story PLC and the benefits thereof were discussed at the last vestry meeting, the Vestry's desire to pursue a one story PLC is not yet on record.

David Guin stated that the architect, BCWH, requested additional payments of \$10k for multiple design schemes of the PLC and sanctuary. The architect had not anticipated as many design schemes. David Guin discussed this with Charles Pieper of BCWH. They agreed to accept a payment of \$4k for multiple design schemes. They also agreed that in the future, BCWH would not present additional unexpected bills after the fact.

A motion to authorize the BSC to: 1) pursue a one-story PLC; 2) pursue the design of a choir room addition; and 3) pay the additional \$4k to BCWH. The motion was seconded and carried.

Tithe Consideration:

Karen opened discussion regarding the possibility of a tithe from the proceeds of the proposed capital campaign. This is sometimes viewed as an 'outreach category' in a capital campaign, but it is truly a tithe off the top of the total campaign proceeds.

The congregation will be asked for honest and anonymous input on this tithe during the feasibility study. Discussion followed. The Vestry is in favor of including the tithe in the capital campaign.

Debt Tolerance:

This is a topic that has been discussed previously, but which was worthy of further discussion. Previously, Vestry consensus was that \$500k was a 'maximum prudent level of debt' that should be entered into, if needed, for the construction of the PLC and the expansion of the sanctuary. The congregation will be asked for input on this question in the feasibility study.

Priorities:

Karen Akens opened a discussion regarding prioritization of projects under the capital campaign. There was first a discussion about the Building Steering Committee's recommendation to adopt the 'choir room' addition to the sanctuary as a solution to the needs of the choir as revealed during the BSC's discussion with the Music Ministry Team. There was a motion to adopt the 'choir room addition' as the choir room solution.

The motion was seconded and carried.

Following discussion of prioritization of the overall work to be done under the proposed capital campaign, a motion was made to state Vestry priorities as follows:

1. Outreach
2. Parish Life Center
3. Sanctuary Expansion and Improvements
4. Choir Room
5. Addition of 'Wings' to Sanctuary

The motion was seconded and carried. A question regarding the priorities of the congregation will be included in the feasibility study. Paul stated that we will not leave the choir out. Should our capital campaign fall short of expected goals, we will make every effort to find a solution for the choir room.

Election of Officers:

The proposed officers for Christ Church Vestry for the 2008 year are as follows:

Senior Warden: Karen Akens

Junior Warden: Marc Halbritter

Treasurer: Dave Wasik

Registrar: Shelley Putney

A motion was made to elect the above. The motion was seconded and carried.

Paul Johnson offered sincere thanks to Lilly Andrews, Ken Royston, Mike Bucci and Kathy Guin for their wonderful service as members of Christ Church Vestry.

Vestry Retreat:

The Vestry Retreat will be held on the weekend of April 4-6.

Spring Leadership Development Conferences:

Information was circulated regarding the spring 2008 Leadership Development Conferences. The Reverend Fred Burnham will speak on February 23, 2008 at Christ Church, Spotsylvania on "Robust Congregations".

There being no further business, the meeting was adjourned at 10:55.

Respectfully submitted,
Shelley Putney
Registrar