

**Christ Church Episcopal
Vestry Meeting Minutes
December 15, 2011**

Location: Room 202 of the Education Building

Vestry Members and Officers in Attendance: Bill Beattie, Sr. Warden; Louanna Heuhsen, Jr. Warden; David Latham, Treasurer; Jim Wheeler, Registrar; Elizabeth Franklin; John Daylor; Jennifer Sullivan; Barry Hayes; Marilyn Wayland; Tricia Williams; Tom McNally; Andy Reisinger

Staff in Attendance: Paul Johnson, Rector; Kathy Nunn, Director of Parish Operations

Call to Order: Paul Johnson called the meeting to order.

**Treasurer's Report – David Latham:
November Financials**

	2011 Current Month						2011 Budget	
	November Actual	November Budget	Variance over / (under)	YTD Actual	YTD Budget	Variance over / (under)	2011 Full Year Budget	Nov YTD % of Total
Revenue								
Pledge Income	\$84,466	\$82,950	\$1,516	\$872,051	\$901,633	(\$29,582)	\$1,049,024	83%
Loose Plate	\$2,271	\$2,268	\$3	\$22,141	\$20,642	\$1,499	\$26,000	85%
Non Pledge Giving	\$17,510	\$9,543	\$7,967	\$294,352	\$99,268	\$195,084	\$144,000	204%
Other Revenue	\$3,836	\$292	\$3,544	\$9,547	\$3,208	\$6,339	\$3,500	273%
Total Revenue	\$108,083	\$95,053	\$13,030	\$1,198,091	\$1,024,751	\$173,340	\$1,222,524	98%
Expenses								
Salary & Benefits	\$72,369	\$83,243	(\$10,874)	\$728,332	\$723,072	\$5,259	\$781,673	93%
Facilities/G&A	\$23,427	\$18,672	\$4,756	\$197,723	\$216,660	(\$18,937)	\$243,815	81%
Ministries								
Adult Ministry	\$464	\$364	\$100	\$672	\$3,636	(\$2,964)	\$4,000	17%
Children's Ministry	\$891	\$1,027	(\$136)	\$7,547	\$9,753	(\$2,205)	\$10,380	73%
Nursery	\$1,581	\$1,667	(\$85)	\$19,703	\$18,333	\$1,370	\$20,000	99%
Youth Ministry	\$2,090	\$930	\$1,160	\$18,203	\$18,210	(\$7)	\$18,990	96%
Music Ministry	\$1,240	\$1,050	\$190	\$8,668	\$15,500	(\$6,832)	\$19,600	44%
Pastoral care	\$0	\$0	\$0	\$0	\$500	(\$500)	\$500	0%
Social/Newcomers	\$671	\$125	\$546	\$5,541	\$3,026	\$2,515	\$3,368	165%
Worship	\$1,072	\$463	\$608	\$9,868	\$9,597	\$271	\$10,910	90%
Mission & Outreach	\$12,855	\$7,868	\$4,987	\$97,312	\$97,034	\$277	\$104,902	93%
Diocesan Support	\$5,094	\$5,094	\$0	\$58,197	\$58,432	(\$235)	\$63,526	92%
Preschool	(\$621)	(\$603)	(\$18)	(\$6,723)	(\$6,633)	(\$90)	(\$7,236)	93%
Total Expenses	\$121,132	\$119,899	\$1,233	\$1,145,042	\$1,167,120	(\$22,078)	\$1,274,428	90%
Surplus/(Deficit) as a % of Revenue	(\$13,049) -12.1%	(\$24,846) -26.1%		\$53,049 4.4%	(\$142,369) -13.9%		(\$51,904) -4.2%	

- Non-pledge giving continues strong.
- Salary and Benefits in November are below budget due to less staff than budgeted.
- Monthly ministry spend is slightly over budget, but full year is still under budget.
- The Foodbank collection is \$670.

Approval of November Financial Report: RESOLVED, that the November 2011 financial report be accepted. The motion was seconded and carried.

Three Year Cash Preview – Kathy Nunn

- Kathy presented a document created at the request of the Finance Committee which highlights future budgetary issues.
- After discussion of issues, including program budgets, the consensus was that we need to do something transformational.

2012 Annual Budget

- We discussed the proposed 2012 annual budget. The consensus was that we need to have a more substantive discussion about it, and we did not want to engage in that at this time since four Vestry members were absent. Accordingly, the discussion of the 2012 annual budget was deferred until the January 2012 Vestry meeting.
 - The January 2012 Vestry meeting will take place on Wednesday, January 18 so as to provide us with more time to prepare for the annual meeting on January 29.
- It was necessary, however, to approve the Salary and Benefits line of the 2012 annual budget.

RESOLVED, that the proposed Salary and Benefits line of the 2012 budget totaling \$845,023 as represented to this meeting be approved, provided that the assistant youth minister allocation may be increased to permit an assistant youth minister to work up to and including 29 hours per week. This motion was seconded and carried.

2012 Vestry Elections – Bill Beattie:

- To date, five people have agreed to run for Vestry.
- Nominations are open until December 18.

Brief Updates

Communication:

- A discussion took place as to how and when to present information to the congregation about using the money received from the County to eliminate the G4G debt, and the decision to create the program ministry position. This communication will take place in January.

Delegate to General Council:

- Christ Church has been allocated an additional representative to Annual Council.

RESOLVED, that Marshall Hubbard be approved as a Christ Church Episcopal Delegate to Annual Council. The motion was seconded and carried.

Christ Church Preschool:

- The Christ Church Preschool is planning a summer camp from May 29 - 31, 2012 from 9:00 a.m. until 1:00 p.m. each day and is seeking Vestry approval of it.
- The Christ Church Preschool would like to add another two year old class. This will not entail an increase in staff. It is seeking Vestry approval of it.

RESOLVED, that the Vestry of Christ Church Episcopal approves a summer camp conducted by the Christ Church Episcopal Preschool from May 29 - 31, 2012, subject to Christ Church Episcopal staff checking calendar availability. It is further RESOLVED, that the Christ Church Episcopal Preschool be allowed to offer a second two year old class. This motion was seconded and carried.

Minutes of December 3, 2011 Vestry Meeting:

RESOLVED, that the minutes of the December 3, 2011 Vestry meeting be accepted. The motion was seconded and carried.

Treasurer:

- David Latham announced that he will resign as Treasurer effective January 31, 2012.
- With deep regret, the Vestry accepted David's pending resignation, but offered its profound thanks to him for the fine work he has performed as Treasurer.

Ministry Team and Service Opportunity Leader Meeting:

- Jennifer Sullivan announced a meeting that will be conducted on Sunday, January 8, 2012 from 7:00 p.m. to 9:00 p.m. The meeting is designed to capture feedback and suggestions on this year's Time and Talent project from Service Opportunity Leaders and Ministry Team Leaders. Vestry members are invited to attend if available, but feedback from them and program staff will be collected at a different time.

Following a closing prayer, the meeting was adjourned at 8:25 p.m.

Respectfully Submitted,

Jim Wheeler
Registrar

**Christ Church Episcopal
Vestry Meeting Minutes
December 3, 2011**

Location: Room 202 of the Education Building

Vestry Members and Officers in Attendance: Bill Beattie, Sr. Warden; Louanna Heuhsen, Jr. Warden; David Latham, Treasurer; Jim Wheeler, Registrar; Elizabeth Franklin; Barry Hayes; Will Watkins; Marilyn Wayland; Tricia Williams; Andy Hagy; Lee Heck; Kevin Kinter; Tom McNally; Andy Reisinger

Staff in Attendance: Paul Johnson, Rector; Kathy Nunn, Director of Parish Operations

A special Vestry meeting was held on December 3, 2011 to discuss budgetary and finance issues.

Call to Order: Paul Johnson called the meeting to order at 9:00 a.m., and opened with prayer.

2012 Budget – David Latham:

- David provided preliminary roll up data of the 2012 budget.
- The total revenue is projected to be \$1,276,000.
- The total expenses are projected to be \$1,359,550.
- This results in a projected deficit of approximately \$83,000.
- Various items are not included in these projections, including:
 - Any costs associated with the Memorial Garden.
 - Any costs related to establishing an on line payment account.
 - Any costs related to redesign of the web site.
- Revenue assumptions are:
 - Total pledges for 2012 of \$1,100,000, with 95% of that collectable.
 - Loose plate unchanged.
 - Non pledge income budgeted higher based on 2011 experience.
 - Other revenue includes \$2,400 of interest that is offset by bank charges in Office G&A.
- The expenses include proposed increases to ministry budgets.
 - The Vestry agreed that our ministries do a great job of being prudent in spending their budgets. The proposed budget increases are designed to address identified needs so they can more fully achieve their missions.
- David also outlined various areas for potential savings.
- After discussion, the Vestry agreed that our revenue assumption would be \$1,276,000, although this may be comprised of less pledge income than is currently projected and more non-pledge income.

The Debt Question – David Latham:

- David led a discussion of what to do about the construction loan.
- Facts about the construction loan:
 - Type of loan: Revolving demand master borrowing loan.
 - Pertinent terms:
 - This obligation is payable on demand; there is no set maturity date.
 - The rate is monthly LIBOR (London Interbank Offered Rate) plus 2.6% but not less than 3%. (To date we have not paid more than 3 %.)
 - We are required to maintain all operating deposits at Suntrust up to the limit of FDIC insurance.
 - Assignment of pledges
 - All pledges are assigned to Suntrust.
 - Suntrust will not exercise the right to collect unless the note is not paid on demand.
 - If pledge collections are not sufficient to reduce the balance to \$107,000 by February 28, 2012, Suntrust may request additional collateral.
 - Financial reporting is due 120 days after our yearend close: this has been completed for 2009 and 2010.
- Finance Committee Recommendation:
 - The loan should be paid off in full using unrestricted cash early in 2012.
 - This will be in the range of \$200,000 to \$225,000.
 - Rationale behind the recommendation:
 - Pay off loan while we have the resources to do it.
 - Paying interest on debt reduces funds available for ministry work.
 - It would allow us to model “share, save, spend” by being debt free.

New Program Ministry Position:

- The best current thinking of this proposed position is that it would be dedicated to Adult Ministries and Newcomers.
- The position would include structuring, coordinating and delivering education and formation ministries for CCE.
- The position would also work with other education and formation ministries to ensure that all of our efforts are coordinated.
- The person in this position would be a teacher, a trainer (training others how to teach), and an administrator.
- Funding this position for two years (compensation plus program spending) is estimated to be \$189,102 (from roughly April 1, 2012 through March 31, 2014).
- The Vestry is in favor of creating this position, given the right job description.

General Discussion:

- The Vestry discussed the various financial proposals and how they interrelate. The financial impacts discussed and considered were:

- Firm deficit (by “firm” deficit we mean that once the budget is passed, expenses will not be raised by miscellaneous items in the future): \$88,000.
- Construction debt: \$225,000.
- Conceptual design of Adult Ministry Position (subject to final job description): \$200,000.

Upon motion duly made and seconded, the Vestry unanimously approved the following:

RESOLVED, that the construction loan balance shall be paid off by use of the County funds we received for the land related to the North Gayton Road project, and that the Vestry will discuss this decision with the congregation at the annual meeting.

Upon motion duly made and seconded, the Vestry approved the following:

RESOLVED, that the adult program ministry position shall be funded from unrestricted cash on hand for no less than two years, and it is

FURTHER RESOLVED, that the Vestry shall continue to identify suggestions to reduce the proposed 2012 budget deficit at the December Vestry meeting.

Housing Allowance

- The Vestry considered two housing allowances.

Upon motion duly made and seconded, the Vestry approved the following:

WHEREAS, ministers who own or rent their home do not pay federal income taxes on the amount of their compensation that their employing church designates in advance as a housing allowance, to the extent that allowance represents compensation for ministerial services, is used to pay housing expenses, and does not exceed the fair rental value of the home (furnished, plus utilities); and,

WHEREAS, the Revered Barbara Marques is compensated by Christ Church Episcopal exclusively for her services as a minister of the Gospel; and,

WHEREAS, Christ Church Episcopal does not provide any of its clergy with a parsonage; therefore, it is hereby

RESOLVED, that of the total compensation paid the Reverend Barbara Marques for the 2011 calendar year \$1,384.63 shall be designated as a housing allowance; and it is further

RESOLVED, that these housing allowances shall apply to calendar year 2011.

Upon motion duly made and seconded, the Vestry approved the following:

WHEREAS, ministers who own or rent their home do not pay federal income taxes on the amount of their compensation that their employing church designates in advance as a housing allowance, to the extent that allowance represents compensation for ministerial services, is used to pay housing expenses, and does not exceed the fair rental value of the home (furnished, plus utilities); and,

WHEREAS, the Reverend Paul Johnson , the Revered Barbara Marques and Joe Torrence are compensated by Christ Church Episcopal exclusively for their services as a minister of the Gospel; and,

WHEREAS, Christ Church Episcopal does not provide any of its clergy with a parsonage; therefore, it is hereby

RESOLVED, that of the total annual compensation paid to the Reverend Paul Johnson, the Reverend Barbara Marques and Joseph Torrence for the 2012 calendar year, \$ 21,000, \$14,400 and \$20,000, respectively, shall be designated as a housing allowance; and it is further

RESOLVED, that these housing allowances shall apply to calendar year 2012 and all future years unless otherwise provided by the Vestry.

Following a closing prayer, the meeting was adjourned at 12:25 p.m.

Respectfully Submitted,

Jim Wheeler
Registrar