

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

Members in Attendance

Karen Akens, Sr. Warden, Marc Halbritter, Jr. Warden, Pam Board, Elaine Champion, Mary Ann Cooley, Rick Elliott, Joe Gallagher, Amy Goodman, Mike Richards, Dave Soule, Ted Susac, Dave Wasik, Treasurer, Shelley Putney, Registrar

Staff in Attendance

Paul Johnson, Hillary West

Guests in Attendance

Sue Fornabai, Episcopal Church Foundation (ECF)

Bill Beattie, David Guin and Ken Royston, Building Steering Committee (BSC)

Minutes from vestry meeting on March 13 were approved via email prior to the meeting.

March financials were approved via email prior to the meeting.

Approval to hire Goodman & Co as auditors for 2008 was approved.

Financial Report Summary

- Net Contribution (revenues minus expenses) was below budget for March. March surplus of \$27K vs. budgeted surplus of \$46K. YTD surplus of \$2K vs. budgeted surplus of \$37K.
- March 2008 revenue was very close to forecast, as we collected \$138K vs. budget of \$139K. Pledge income was slightly below forecast, loose plate was slightly ahead, and non-pledge income was well ahead of forecast. YTD revenue is \$25K below budget, \$298K vs. budget of \$323K.
- March
- 2008 expenses were \$17K higher than forecast. We spent \$110K vs. a budget of \$93K. We saw several modest negative variances to forecast in many of our expense categories, mostly timing related or catch up from previous favorable variances. YTD expenses are running \$11K worse than budget; \$296K vs. budget of \$285K.
- As agreed during the budget process, we continue to pay \$3,500 per month from operating expenses to the building fund.
- Our cash position is very strong.
- We are seeking approval to hire Goodman & Co for the 2008 audit (separate presentation).
- New cash handling procedures continue to work well. Continued reinforcement of new procedures for VPOD's and tellers is important.
- The Finance Ministry needs volunteers, both to serve on the Team and to serve as tellers. Those interested should contact Dave Wasik or Kathy Nunn.

Results of Feasibility Study presented by Sue Fornabai

ECF completed a Feasibility Study regarding a proposed capital campaign related to the possible construction of a Parish Life Center, sanctuary expansion, music addition and outreach missions grant. The Study explored the willingness of the congregation to

support, financially and otherwise, these four areas. ECF believes that as a parish considers a capital campaign, it should reflect on several important questions. The major purpose of the Study is to answer the following and other questions:

- What conditions are essential to a successful campaign in this church community?
- How much money can realistically be raised?
- Will the church community support a drive that fulfills the goals of the proposed plans?
- When should the campaign begin, and how long should it last?
- What volunteer leadership is available to head the campaign?

Through the Study, ECF researched, analyzed, and evaluated fundamental factors present, or capable of development, which might influence our capital campaign. The study was conducted in these phases: research, personal interviews, email and direct mail.

Sue Fornabai, ECF's representative to CCE, was present at the meeting to discuss the findings of the Study. Sue highlighted the findings and answered questions from vestry, staff and BSC representatives throughout the meeting. Highlights are as follows:

- This was a 'very, very healthy' Feasibility Study, a fact which needs to be celebrated and applauded.
- The information revealed in the Study suggests that a capital campaign for a Primary Goal of \$1,900,000 is realistic and appropriate.
- The 'voice of the parish' made it clear that the highest level of support is for the expansion of the sanctuary. Construction of the PLC was a close second.
- Music Addition is third. Outreach is a close fourth.
- Recognizing that costs for the proposed plans are greater than what may be financially supported, leadership may wish to consider \$1,900,000 as the 'primary' goal and establish a larger 'challenge' goal. Sue suggested \$2,400,000 as the 'challenge goal'.
- Eighty-six percent of respondents said that they would be willing to contribute to the proposed campaign. ECF said that this was a 'very strong response'.
- Seventy-four percent of respondents were in favor of the campaign. An additional 22% were in favor, but with some concerns. This is considered a 'very healthy' response.
- Ninety-one percent of respondents said that prudent long-term debt is acceptable to ensure completion of proposed plans, if the Study goal of \$4.4 million is not fully funded by a capital campaign.
- Three reasons that the recommended goal was not higher are as follows: a) The Study found that 38% of respondents believe that the economy is declining. b) Over half of the respondents were not sure that the goal of \$4.4 million could be raised in gifts and pledges. c) Concerns over handling of PIF (previous capital campaign).
- Only once has a church not been able to achieve a goal as identified by an ECF Feasibility Study. Churches usually exceed the goal.
- All responses to the Study were sent directly to ECF. The response rate was 31%, which is 'exceptional' for a church community. ECF will make a financial goal recommendation based on a response of 19%, but this was far exceeded by CCE's response.

- One half of those who make an annual pledge responded to the survey. Generally, those who pledge, but don't respond, plan to support the campaign even though they don't complete the survey.
- A majority said that they would support 'wings' as an addition to the sanctuary, if more than enough was collected in the campaign to cover all other items.
- Bill Beattie asked Sue to review Feasibility Studies completed for other parishes in the last six to eight months to determine if recommended goals are at the same multiplier as ours. Historically, a multiplier of three times 'pledge and plate' offerings will result in the 'goal' for a capital campaign. Sue is researching this, but said that she could think of two recent campaigns where goals have been significantly lower than the '3x pledge and plate' rule, generally due to the perception of the economy.
- Several major positive factors of our parish related to a proposed capital campaign and as identified by Study respondents are church growth, affluence of community, youth program, outstanding clergy, music program and location in a growth area.
- Factors that respondents identified as areas of weakness: donor fatigue, previously unfulfilled pledges/ commitments, communication, economic conditions, previous campaign issues, some concerns about building plans.
- The Study showed that prior to the survey, 95% of respondents were aware of the proposed capital campaign.
- Funds previously set aside or already received towards the campaign are not included in the \$1,900,000 goal.
- Respondents who did not look favorably upon the proposals were nearly all less than satisfied with the results of PIF. They said that they had given, but had not received what had been promised. It is important that we learn from PIF and run any future campaigns differently.
- The Feasibility Study will be available to the congregation in the church office.

Karen Akens will speak to the congregation Sunday, April 20th to report results of the Feasibility Study.

Building Steering Committee – David Guin and Ken Royston

David said that he could not think of a way to downsize the PLC or sanctuary expansion to bridge the gap between what was anticipated from a capital campaign and what ECF was suggesting as our primary goal. He suggested that there is \$400,000 in the budget for aesthetic upgrades, some of which we could choose to do without. We could also leave the kitchen where it is and save an additional \$125,000. Some items in the PLC, such as covered walkways are expendable. David suggested that we ask architects for 'meaningful cuts'. He suggested that we keep partitions in the PLC plan. He also recommended that we keep the footprint the same in the PLC plan. Doing otherwise would require significant additional work by the architect and a trip back to the county for additional approvals. He concluded by saying that we have a very good architect/ contractor team. We should give them this news and challenge them to come up with cost savings. He reminded all of the significant cost savings of building the PLC and expanding the sanctuary at the same time.

Ken reported good news from the county. We will not be required to add parking spaces, even if we were to add wings to the sanctuary. We won't need to pay for the extension of Gayton Road, nor will we be required to tie our parking lot to North Gayton. Future

approvals from the county will be at the 'staff' level. Environmental and Traffic approvals are complete. County Planning Commission review will not be needed as we move forward.

Dave Wasik recommended that we have a plan in the event that we raise only \$1,900,000. We also need to define a 'prudent level of debt'. Although it is reasonable to have a 'challenge goal', which needs to be determined, our primary goal will be \$1,900,000.

Bill Beattie provided an exhibit, titled 'CCE Capital Campaign and Building Options'. There was discussion over what could be eliminated from the current PLC/ sanctuary plans. Joe recommended that we meet with the architect for guidance regarding how total costs could be reduced. After obtaining this information, vestry will be much better equipped to discuss options with the congregation. Vestry's goal is to be transparent and to continue to communicate as clearly as possible with the congregation as we move forward. The congregational vote regarding debt will be postponed until additional input is received from the architects.

Closing Comments – Karen Akens

Karen and Marc will send vestry a list of potential Campaign Chairs, many of whom were identified by the congregation in the Study. These Chairs should be in place by April 24 in order to meet with Sue Fornabai on April 27.

Mike Richard and Ted Susac are working on the new 'Ministry Team Report' format, which will be used for all future monthly reporting. Future Ministry Team Reports will be submitted to Jan Modlinski. Jan will distribute via email prior to vestry meetings.

The next vestry meeting will be held on May 21, 2008.
John Napier will provide the meal.

There being no further business, the meeting was adjourned at 9:45.
Paul offered a closing prayer.

Respectfully submitted,
Shelley Putney
Registrar