

**Christ Church Episcopal
Vestry Meeting Minutes
May 25, 2011**

Approved 6-21-11

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; John Daylor; Jen Sullivan; Barry Hayes; Will Watkins; Marilyn Wayland; Andy Hagy; Kevin Kinter; Tom McNally; Andy Reisinger

Staff in Attendance: Paul Johnson, Rector; Kathy Nunn, Director of Parish Operations; Rebecca Guzman, Children's Minister

Others in Attendance: Jennifer Castellano, Chair of Children's Ministry Team

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

Children's Ministry Fundraising – Rebecca Guzman and Jennifer Castellano:

The Children's Ministry Team is seeking permission from the Vestry to conduct fundraising activities to cover its general operating expenses.

- The plan is to conduct three or four "restaurant nights" once a month, during which the restaurant will donate a percentage of its proceeds to the Children's Ministry. The Children's Ministry Team will be responsible for scheduling and advertising the restaurant nights, printing and distributing flyers if necessary, and properly thanking the restaurants.
- The goal is to raise at least \$500, which is how much the team anticipates it needs to stay within budget.
- The Children's Ministry Team expects to meet budget in all areas except in its "special events" expense category. Given that it has already spent \$1400 and it still has summer book club (\$500), the birthday picnic (\$200), Third Grade Bibles (\$800), the Christmas pageant (\$150), and Christmas Eve Activity Bags (\$350), it does not seem likely that it will be able to make budget for this category through the end of the year. In addition, this does not account for any special events that may arise before the end of year, particularly for Club 45 to engage in fellowship and mission projects (probably around \$500).
- Although there are funds in a restricted account for the Children's Ministry, those funds will now be used to spruce up the upstairs of the Education Building over the summer. This is a project that is long overdue but makes a lot of sense right now since the format of Kids' Quest is changing, and changes will need to be made in the rooms anyway. Sprucing up will include painting and adding storage to Rooms 204, 205, 206, 207 and 209. Additionally, Room 202 will be painted.

- CCE guidelines require groups that want to fundraise to request permission from the Vestry.

RESOLVED, that the Vestry of Christ Church Episcopal approves the “restaurant nights” fundraising proposal submitted by the Children’s Ministry Team as outlined in the meeting. This motion was seconded and carried.

After their presentation, Rebecca and Jennifer left the meeting with our thanks for the fine work they and the Children’s Ministry Team are doing for our children.

April Financials – David Latham:

	2011 Current Month						2011 Budget	
	April Actual	April Budget	Variance over/(under)	YTD Actual	YTD Budget	Variance over/(under)	2011 Full Year Budget	Apr YTD % of Total
<u>Revenue</u>								
PLEDGE INCOME	\$67,885	\$103,010	(\$35,126)	\$344,498	\$355,798	(\$11,300)	\$1,049,024	33%
LOOSE PLATE	\$3,435	\$2,247	\$1,188	\$9,136	\$6,803	\$2,333	\$26,000	35%
NON PLEDGE GIVING	\$18,174	\$14,024	\$4,150	\$69,525	\$40,365	\$29,160	\$144,000	48%
OTHER REVENUE	\$538	\$292	\$246	\$1,935	\$1,167	\$769	\$3,500	55%
TOTAL REVENUE	\$90,032	\$119,573	(\$29,541)	\$425,095	\$404,132	\$20,963	\$1,222,524	35%
<u>Expenses</u>								
Salary & Benefits	\$70,375	\$65,655	\$4,720	\$252,696	\$248,243	\$4,454	\$781,673	32%
Facilities/G&A	\$17,228	\$17,041	\$187	\$71,708	\$80,469	(\$8,761)	\$243,815	29%
Ministries								
Adult Ministry	(\$13)	\$364	(\$377)	(\$82)	\$1,090	(\$1,172)	\$4,000	-2%
Children's Ministry	\$712	\$326	\$386	\$2,360	\$1,635	\$725	\$10,380	23%
Nursery	\$2,346	\$1,667	\$679	\$7,784	\$6,667	\$1,117	\$20,000	39%
Youth Ministry	\$1,609	\$830	\$779	\$5,319	\$4,460	\$859	\$18,990	28%
Music Ministry	\$461	\$1,820	(\$1,359)	\$2,451	\$8,090	(\$5,639)	\$19,600	13%
Lay Pastoral care	\$0	\$250	(\$250)	\$0	\$250	(\$250)	\$500	0%
Social/Newcomers	\$367	\$125	\$242	\$856	\$717	\$139	\$3,368	25%
Worship	\$634	\$2,038	(\$1,405)	\$3,205	\$4,428	(\$1,224)	\$10,910	29%
Mission & Outreach	\$2,177	\$7,868	(\$5,691)	\$18,784	\$31,471	(\$12,687)	\$104,902	18%
Diocesan Support	\$5,094	\$5,094	\$0	\$20,375	\$20,375	\$0	\$63,526	32%
Preschool	(\$603)	(\$603)	\$0	(\$2,412)	(\$2,412)	\$0	(\$7,236)	33%
Total Expenses	\$100,387	\$102,475	(\$2,088)	\$383,044	\$405,483	(\$22,439)	\$1,274,428	30%
Surplus/(Deficit)	(\$10,355)	\$17,098		\$42,051	(\$1,351)		(\$51,904)	
as a % of Revenue	-11.5%	14.3%		9.9%	-0.3%		-4.2%	

- David provided general comments on the April financial statements.
- Non pledge giving continues to be strong.
- There is an overage in Salary and Benefits due to salary actions taken by the Vestry in March.
- There is a favorable year to date variance in Utilities due to underspending on utilities for the worship space and the church house slightly offset by over spending on the GCC.
- There is underspending in Discretionary Funds due to restricted gifts to the clergy discretionary funds.
- We spent less than planned on costs associated with attending the Consortium of Endowed Episcopal Parishes conference since we only sent two attendees rather than three.
- Variances in Ministry Expenses are due to timing except for the nursery. Nursery overspending on Ten Great Dates is offset by underspending in Youth, Children, Lay Pastoral Care and Adult Ministries.
- In general, our finances are on track with no red flags.

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

Other Financial Items – David Latham:

- Net cash position: David presented details on our current cash position.
 - If we back out the proceeds of the sale of the property to the County as well as our restricted assets and cash needed on hand plus anticipated cash usage for the remainder of 2011, we have \$29,531 of unrestricted cash available for debt reduction.
- Investment strategy proposal: The Finance Committee has developed three options regarding an investment strategy for the Vestry to consider:
 - Option 1: Hold all cash in the most conservative vehicles to preserve principal. This would be limited to checking, savings or money market accounts in FDIC insured banks. Multiple bank accounts may be necessary to ensure FDIC insurance. This is the most conservative approach, and it is what we are doing now.
 - Option 2: Hold one month's cash (1/12th of operating expense budget) in the most conservative vehicles. This would be limited to checking, savings or money market accounts in FDIC insured banks. This amount will be calculated on December 31st of each year. If there is excess cash above this amount, it would be handled as follows:
 - The first \$100,000 above one month's cash will be held in the most conservative vehicles. This would be limited to checking, savings or money market accounts in FDIC insured banks. This would represent an operating contingency in case of an unexpected event.
 - The balance of the excess cash after one month's spending and \$100,000 of operating contingency would be split into two equal pools of funds.

One half would be held in the most conservative vehicles. This would be limited to checking, savings or money market accounts in FDIC insured banks. The other half would be invested in the Trustees of the Funds (see description below).

- Option 3: The same as Option 2 except that the balance of excess cash after one month's cash and \$100,000 of operating contingency would be 100% invested into the Trustees of the Funds. This is the most aggressive approach.
- The Trustees of the Funds is a group of individuals charged with oversight of a professionally managed investment portfolio (the Fund) benefiting the churches and organizations of the Diocese of Virginia. Chartered in 1892, the Trustees of the Funds is one of the oldest organizations in the Diocese. The goal of the Trustees is to preserve and enhance the real (inflation-adjusted) purchasing power of the portfolio while providing a steady and consistent spending stream for the support of Fund participants. Based on this management goal, the investment objective for the Fund is to attain a real total return of at least five percent per annum over the long term. This fund earned 10% in 2010, 13% over the last two years, and .5% over the last three years due to the market decline in 2008.
- Funds invested with the Trustees of the Funds are liquid, and we can get our money within one week.
- We discussed risk tolerance given that we need to be good stewards of CCE's funds. Also, we don't know when we are going to spend the money.
- We recognize that "standing still" with the money means we are losing money because the return is not keeping up with inflation.
- The Finance Committee recommends Option 2.
- The Finance Committee will get clarification on various questions the Vestry had regarding the Trustees of the Funds. The Vestry will make a decision on the investment strategy at the June Vestry meeting.
- Growing for the Generations (G4G) Analysis: Kathy Nunn has completed a detailed analysis of our G4G position.
 - We have almost \$400k in pledges outstanding. Based on that analysis, it appears that less than half of that will be received. We will be ramping up our G4G collection efforts, and a plan is being developed.
 - Factoring in the construction costs, we may be looking at a shortfall of between \$250k and \$300k.
 - A decision will ultimately need to be made regarding how to deal with a shortfall. There are a variety of options and each will be studied later this summer.
- Communication: David is working on a financial operations update for communication to the congregation. The feedback we have received is that people want more information on CCE's finances.

Memorial Garden – Barry Hayes:

- The Memorial Garden Committee continues to meet, as do its two subcommittees.

- The committee has been discussing potential sites and has also been discussing what options each site would offer.
- They are also evaluating the various types of gardens that can be developed.
- Initial meetings with architects will begin on June 2, at which time the committee will evaluate the work the architects have done in the past, assess their process, ask questions, and see if any prove to be a good fit for our needs.

Funding Request for New Driveway – Bill Beattie:

- The design for the new driveway to North Gayton Road has been completed and submitted to the County. We have received initial County approval for the project.
- There are two issues left that we are working to address:
 - U.S. Corps of Engineers authorization to work within the wetlands.
 - Land disturbance bonds to be filed with the County prior to starting work on the project.
- We have received pricing from three different contractors for work that includes clearing the land, installing run-off protection, removing the top soil and root matter, installing a culvert and filling the gully, preparing the road base, installing curbing, and paving and striping the new driveway.
- In addition to the road construction, we need to provide site lighting along the new driveway. This would be achieved by installing five light poles evenly spaced along the east side of the new driveway, fed from the GCC’s electrical panel and controlled by a photo cell to come on at dark.
- Also, since this will become a main entry point to our campus, the site should be appropriately landscaped and irrigated so that we present an inviting image.
- The estimated total of the sitework, site lighting, landscaping, irrigation, entrance sign, environmental fund, and a contingency of 8.5% is \$208,281.

RESOLVED, that the Vestry of Christ Church Episcopal approves the setting aside of \$208,281 from the sale of the land to the County to construct the new driveway to North Gayton Road, and further authorizes Mark Hansell to enter into negotiations with the two low bidders of the driveway construction project with the intent to enter into a contract to construct the new driveway. The final offer would be presented to the Wardens for approval and final authorization. This motion was seconded and carried.

Updates:

Annual Giving – Paul Johnson and Bill Beattie

- We are targeting the last weekend of September as the kick off of the annual giving campaign.
- We are currently looking for additional people to become involved in the Stewardship Committee.

Garage Renovation – Bill Beattie

- Phases 1 and 2 of the project will be completed by June 4, in time for the ordination that will take place at CCE.
- We are holding off on Phase 3 pending the allocation of funds.

Securing Audio Visual Equipment in the Sanctuary – Bill Beattie

- The Music Ministry has agreed to cover the costs of securing the equipment.
- A plan to secure the equipment is in place, and the equipment should be secured in the near future.

Sabbatical – Paul Johnson

- Paul is looking at January and February of 2012 as the time frame for his sabbatical, as well as all of August 2011 as vacation time.
- It has been a very long time since Paul has had a sabbatical (more than the typical seven years), and the Vestry approves him taking one with enthusiasm.
- The Vestry agreed that Paul can look further into planning the sabbatical.
- Since it will not take place until 2012, we can look to including those costs into the 2012 budget.

Membership Project – Tom McNally and Will Watkins:

- Tom and Will provided an update on the Membership Project.
- The project goal is to achieve accountability and true community.
- There are a variety of options under consideration regarding how to move the project forward, and additional details will be discussed at the June meeting.

Vibrant Stewardship – Paul Johnson:

- Paul reported on the work of the Vibrant Stewardship project.
- Along with the other churches involved in the project, CCE parishioners took part in an online survey. In aggregate, 1,051 people took the survey, 229 of whom were from CCE.
- At the end of the survey, there was a space provided for written, anonymous comments.
- The Vibrant Stewardship team is studying the survey results and comments looking for themes.
- Luther Seminary provided us with a one page summary of our survey results, as well as a summary of our interview results.
- There are some clear actionable steps we can take to address some of the comments, including engaging in more robust communication especially around the financial picture of CCE.
- There are some learnings that can be incorporated into our annual giving campaign.
 - It is clear from our results, though, that many in our congregation are aware that “stewardship” is more than just our annual giving campaign.
- We need to report back to the congregation on what we have heard and the results of the survey/interviews. We would like to do this relatively soon.

- The Vestry was provided a copy of the survey and interview results. We will digest the information.
- The suggestion was made to open the next Vibrant Stewardship meeting to the Vestry to provide an opportunity to ask questions, and to discuss how the results will be presented to the congregation.

Planning Initiative – Paul Johnson and Bill Beattie:

- We discussed the general question of who we should be as the Episcopal Church in Short Pump.
- We reviewed and discussed a proposal from Paul and the Wardens on how to move this initiative forward.
- Given the late hour and the importance of this project, we decided to continue this discussion at the June Vestry meeting.

Following a closing prayer, the meeting was adjourned at 10:15 p.m.

Respectfully Submitted,

Jim Wheeler
Registrar