

CHRIST CHURCH EPISCOPAL

Vestry Meeting Minutes

October 21, 2009

Approved 11/17/09

Vestry Members in Attendance: Marc Halbritter, Sr. Warden, Rick Elliott, Mike Richards, Ted Susac, Dave Soule, Jim Wheeler, Elaine Champion, Elizabeth Franklin, John Daylor, Amy Goodman, Joe Gallagher, Jr. Warden, Dave Wasik, Treasure, Shelley Putney, Registrar

Staff in Attendance: Paul Johnson, Rector, Hillary West, Assistant Rector

Guests in Attendance:

Tom Weed, Stewardship

Mac Thayer, Mark Hansell, Joe Jagdmann – Youth Space

John Napier

Building and Youth Space Update – Mac Thayer, Joe Jagdmann, Mark Hansell (Youth Building Team) and Marc Halbritter, Joe Gallagher

- Youth space:
 - We have determined what is required to meet our program needs. Needs include a large open area, offices, a meeting room and storage. There is also a need to provide multi-purpose functionality for other church activities such as Crossroads, concerts, CARITAS and consignment sales.
 - We will be ready to file a Plan of Development (POD) for the Youth space with the county in early November.
 - Civil engineering work is being prepared by Todd Borden at no cost.
 - Joe Jagdmann is working on a contract between CCE and THS to build what is recommended by Youth Building Team and authorized by Vestry.
 - Budget for Youth Space continues to be a challenge.
 - The low bid for the building, which meets our requirements, is \$48,000 more than our budget. This amount includes no contingency, has several items still outstanding, and equals 2% of the overall project and 8% of the original budget for the Youth space.
 - Value engineering will help, but the best estimate we have at this time is that the cost will be approximately \$636,000, including a contingency.
 - We can cover the increased cost under our current plan if our pledges are paid at a 98% collection rate.
 - Similar to sanctuary and music space, FFE (furniture, fixtures and equipment) are not covered in \$636,000.

- **To Allow the Youth Building Space to continue to progress:**

The Youth Building Team is requesting that:

- Christ Church contract with THS Construction, the low bidder, to design a building that meets our needs at a cost not to exceed \$636,000;
 - The Team be authorized to file a plan of development with Henrico County;
 - Formal approval to build shall be withheld until the final design has been presented to and approved by the vestry.
- Vestry discussed potential ways to cover the shortfall, including the following:
 1. Unused contingency from the sanctuary and music space;
 2. Review the balance sheet - Review restricted gifts;
 3. Re-examine all aspects of building project budget;
 4. Redirect the money in the vestry restricted account back to the project Members increase their pledges by 3%;
 5. Hold a fundraiser;
 6. Extend repayment of the construction loan for two years.
 7. Specific ways to cover the \$48K difference include:
 - a. 25K excess contingencies out of sanctuary and music space;
 - b. \$18K budget surplus funds
 - c. \$5K fundraising
 - d. \$2.5K in unspent legal fees.
 - Next Steps: Get the POD in front of Henrico County for review. They will give us requirements and then approval to move forward. The County will need a floor plan and civil engineering design. Thanks to Todd Borden for doing design work pro bono. Thanks, also, to Joe Jادmann for his pro bono work in reviewing the THS contract, as he did the Century Contract. We'll need to commit resources of CCE for design fee and filing of POD. Once design is formalized, BSC will be able to obtain very solid numbers.
 - Contract discussion: The type of contract that we will have with THS on the Youth Space will be 'design/build with stipulated sum'. This type of contract will be best for us because \$636K is achievable, but will take work. In order to do this, all contingencies have to be determined beforehand. To get there, we have sent out a 'pre-construction service agreement'. Contractor can do in-house design at \$80/hr not to exceed \$10K. Contractor can pay architect to do design not to exceed \$20K. Contractor will do bidding and permitting for fixed fee of \$15K. They will also put together a bid, so BSC can review and evaluate. This will result in a total not to exceed \$45K. We'll pay permitting fees on top of that, which will be fairly inconsequential. When BSC negotiated that number, it wasn't hard negotiation, but it is a fair number. The contractor will have overhead and profit of \$90K. We pay \$25K up front. He still has \$65K left. The \$25K is out of the \$90K.
 - By going 'Design Build', we save six months over other types of contracts.
 - This is a metal building. Total square footage is proposed at 6,464 square feet. The wrap is 'stick built'. The facade will match the church. There will be shingles on the lower part of the roof and metal roof on higher roof, subject to County approval. The Foyer will face the parking lot.

- BSC can submit the POD by the end of October. Henrico County will review at their December meeting. In the best case, construction could start by the end of Feb or early March. Completion time is proposed at five months.
- For furniture, fixtures & equipment (FF&E), we are trying to re-use items out of sanctuary and garage. Mac is working on specifics. FF&E budget is not yet finalized.

RESOLVED, that the wardens are authorized to enter into a contract on behalf of Christ Church with THS Construction to design a building that meets the needs for our Youth Space at a cost not to exceed \$636,000; provided, formal approval to build will not be given until the final design and cost has been presented to and approved by the vestry. FURTHER RESOLVED, that the agreement may include a fee for services rendered and other costs of up to \$50,000 to cover THS' costs in the event CCE does not engage THS to construct the building. The motion was seconded. Motion carried.

RESOLVED, that Mark Hansell is authorized to file a plan of development with Henrico County for the Youth Space to be built on the location previously approved by the vestry. The motion seconded. Motion carried.

Wardens' Report—Marc Halbritter and Joe Gallagher

Sanctuary and Music Space – Update

- In April we voted to move forward with the full building project (sanctuary, youth and music).
- The Sanctuary and Music spaces remain on schedule and within budget.
- The contingency remaining is estimated to be adequate.
- Pledges are 40% fulfilled after 9 months (25%) of the collection period.
- By the end of 2009, we expect to be 46% collected with the remaining amount to be received equally in 2010 and 2011.
- The concrete floor slabs for both the main expansion and the music wing have been poured.
- The framing crew has built the walls and framed the roof, including the installation of the glue-lam beams and tongue and groove ceiling for the milling area.
- The new steel beam has been installed that opens up the new enlarged space and the concrete has been poured back at these footings allowing additional seating.
- The HVAC and Electrical contractors are working on installing wiring and ductwork to help speed the finishes of the space.
- Working to finalize the Labyrinth layout for the milling area floor.
- Upcoming Schedule Milestones:
 - Roof will be installed over the next two weeks
 - Mechanical, electrical and plumbing work will continue inside.
 - The windows are due to deliver Oct 18th, which will allow the siding to be installed.
 - Finalize the agreement with Barbizon for the lighting controls system.
 - The plan is to be installing drywall and sidewalks in about 4 weeks time.

Vestry Nominations

Nominations are being taken for Vestry Candidates for 2010.

Assistant Youth Minister Search – Elizabeth

- One candidate has visited. The second will visit this weekend.
- During Jenna Vinca's visit, a dinner was held at the Goodman's house.
- The second candidate, Tyler Smither, is coming in this weekend. The format will be the same as it was for Jenna's visit. There will be a 'Youth Town Hall Meeting' Saturday morning followed by a tour of Richmond with Mac Thayer.
- The Search Team requested approval to make a decision and move on in next couple of weeks.
- Hillary noted what a great job the search team has done.
- Hillary, the Youth Ministry Team and Vestry also appreciate the fine work that Jeremy is doing as he leads our Youth.

RESOLVED, that an offer of employment may be extended to either candidate for our Youth Minister position, if agreed by the Youth Leadership and our Rector. The motion was seconded and carried.

State Road Project and Adjoining Land – Joe Gallagher

Joe met with Henrico County to discern what actions they have taken and what actions they expect to take. Pouncey Tract Road will not be involved. It is controlled by State of VA Dept of Transportation. When CCE built its existing structures, we negotiated with Henrico County and relinquished some frontage on Pouncey Tract. As part of the POD process on the Sanctuary and Music Space, we deeded over boundary space on North Gayton. The right of way for North Gayton is through our utility shed (not road, right-of-way only). The new road will be paved and will have a walking/running and bike trail. It will run from Broad Street to Deep Run High School. There is not much to negotiate on existing land other than where the 'cut-through will be and where equipment will be laid out during the project. Cut through could be where the gravel drive is now with a second at the far end of the parking lot.

Moving Children's Minister to full time – Joe Gallagher

Rebecca Guzman's work week already exceeds forty hours, but we are currently paying her for thirty hours per week. There is a need for her to move her to full-time. Rebecca is doing an excellent job. The Children's Ministry Team supports this increase. The numbers have been run in 2010 spreadsheet. The 2009 and preliminary 2010 budgets can absorb this change".

RESOLVED, the Children's Minister Position be moved to full time as soon as possible. The motion was seconded and carried.

Financial Reports – Dave Wasik, Treasurer

September Results

Revenues:

- September revenue exceeded budget by \$14K, \$76K vs. budget of \$62K.
- YTD revenue is \$68K ahead of budget, \$796K vs. budget of \$728K, but slightly behind of Jan-September 2008, \$796K vs. \$812K.
- Significant favorability in non-pledge income driven by a single \$20K check, which the donor intended to pledge.
- Growing for the Generations September revenue was \$20K, bringing the total so far to \$635K.

Expenses:

- September expenses were \$27K unfavorable, \$122K vs. a budget of \$95K.
- Expenses running \$65K favorable to budget YTD, \$833K vs. budget of \$898K.
- September expenses driven by \$41K of Missions/Outreach spending, fully within budget.
- Most ministry teams are spending significantly less than budget.

Contribution:

- September contribution was a \$46K deficit vs. budgeted deficit of \$33K.
- YTD contribution (revenues minus expenses) is a \$37K deficit vs. a budgeted \$170K deficit.
- Our 2009 outlook is a balanced budget, but to get there we'll need a strong 4th quarter of giving and continued expense discipline.

Cash:

- Cash position is strong, with an unrestricted cash balance of \$179K. This is better than expected because of higher revenue and lower expenses.

Other:

- The Treasurer and Vestry also reviewed the latest quarterly reforecast and a tentative budget timeline.
- We need new tellers. This will be included in bulletin.
- Lydia's Purse balance stands at \$12.1K, up \$200 from last month.

Preliminary 2010 Budget Timeline

- September Vestry meeting – agreed to \$1.3MM stewardship goal.
- Tonight – quarterly reforecast, current view of 2010 expenses including staffing plan.
- October 25th – Commitment Sunday.
- November Vestry meeting – initial projection of 2010 pledges and revenue.
- November 30th – proposed date for budget deep dive meeting with ministry heads and staff.
- December Vestry meeting – refined projection of 2010 pledges, revenue, and expenses. This will be like last year when heads of ministry teams present hopes for 2010 for vestry. This helps with budgeting.

Quarterly Reforecast - 2009

- Revenue
 - Assuming full year revenue of \$1168K, up \$68K from the budget and up \$37K from the last quarterly forecast.
 - Assumes that the rest of the year is in line with budget (that is, we're \$68K above budget YTD).

- Helped by higher pledge income and by \$20K non-pledge check.
- Expenses
 - Projecting full year expenses of \$1179K, down \$11K from the budget and \$54K from the last forecast.
 - Assumes that M&O and Diocesan pledge are in line with budget, ministry spending and overhead costs continue to be quite favorable.
- Contribution
 - Accounting contribution of -\$11K deficit, but with \$10K gift from last year (specified to be applied to 2009) and \$40K transfer of funds from Vestry designated money, our contribution is \$39K surplus. This \$40K had previously been in a 'designated fund' for mortgage, but was reallocated.
 - We are close to breakeven on cash basis.
 - We have a \$40K surplus. We will decide how to allocate next meeting assuming budget continues as it has year to date.

Quarterly Re-forecast – 2010

This is an optimistic view, dependent on the Stewardship Campaign

- Revenue
 - Assuming flat pledge and non-pledge revenue from 2009, with lower interest revenue because we'll deplete our building funds.
 - Leads to total revenue of \$1159K, which is \$9K below 2009 because of lower interest revenue.
 - This is well below our stewardship goal, and we will have a preliminary projection next month based on Commitment Sunday pledges.
- Expenses
 - Projecting full year expenses of \$1205K, up \$22K from the latest 2009 forecast.
 - Assumes 10% of pledges to M&O, increased Diocesan pledge to \$61K.
 - Assumes tentatively agreed to staffing plan, with 3% raises and 5% increase in medical.
- Contribution
 - Accounting contribution of -\$46K deficit, but with \$40K transfer of funds from Vestry designated money, our contribution is -\$6K deficit.

RESOLVED, that the financial report for September, 2009 be approved. The motion was seconded and carried.

Rector's Report – Paul Johnson -

Sudan – Missionary:

We believe in supporting the Missionary for the Diocese. CCE has had the good fortune to have Jennifer Ernst called to full-time mission work. Jennifer will serve as the single 'Connector' in the United States between Episcopal Church U.S.A. and the Episcopal Church in Sudan. Jennifer will be supported by the Church. Paul asked that we offer Jennifer substantial support through next year's budget, specifically as a line item in the budget. Jennifer will need other support as well. As Jennifer's home congregation, and with passion for mission and connection to Sudan,

Paul asks that CCE be open to supporting her and to putting our 'shoulder to wheel' and to being a model as to how this can work in other parts of Episcopal Church in the United States. In a few weeks, in Africa, Jennifer will meet with all of the Bishop's clergy. She has a counterpart in Liberia, who has established a fine relationship with The Diocese of Virginia, and who has done a wonderful job of advancing the Church's understanding of theology, peace and reconciliation. It is an extraordinary role that Jennifer will have.

Other Mission:

The Sudan Mission Trip is scheduled for the second week of November. Jennifer, Darryl and Hilary will be representing CCE. Two mission trips have been tentatively planned for Peru in 2010. Another mission trip to Haiti is planned for March 2010.

Annual Council

Paul asked authority from vestry to invite CCE delegates for Annual Council. These will be the same four persons who served last year. They will serve a three year term as has been the tradition at CCE.

RESOLVED, Mary Susan John, David Burnam, Andy Reisinger and Melinda Hancock be approved as CCE Delegates to Annual Council. The motion was seconded and carried.

Nathan Dungan – Tom Weed, Stewardship

Tom brought a recommendation from the Stewardship Ministry Team to invite Nathan Dungan to return for the weekend of February 6 at a budget cost of \$10,000. The cost for the weekend is \$25,000. Funds of \$5,000 are available from previous donations (Nathan's last visit). The remaining \$10,000 would come from donations.

- There was discussion of the possibility of negotiating a lower cost.
- There was additional discussion of how to bring about transformation within CCE.
- How do we incorporate these values into our lives and our work as a congregation and as vestry?
- How will this affect how we live?
- There is a desire to share with other Episcopal churches in Richmond.
- Elizabeth Franklin, Bill Beattie, Dave Wasik, John Daylor and Jim Wheeler will work with Keech and Tom to determine what our philosophy is. This will guide our vision and direction as we determine what we'd like the program to look like and how it would work with Nathan or another speaker.
- Vestry thanks the Stewardship Team, led by Tom and Keech, for their time, energy and very good work on this project that is so important to CCE.

Preschool Ministry Team – Shelley Putney

The CCE Preschool Board has approved hiring Marla Owens as a substitute teacher, subject to Vestry approval.

RESOLVED, that the hiring of Marla Owens as a substitute teacher for Christ Church preschool be approved. Motion seconded and carried.

Paul Johnson closed the meeting in prayer.

Adjourned at 9:30