

**Christ Church Episcopal  
Vestry Meeting Minutes  
November 18, 2010**

***Approved - Post***

**Vestry Members in Attendance:** Joe Gallagher, Sr. Warden; Bill Beattie, Jr. Warden; Amy Goodman; Mike Richards; John Daylor; Elizabeth Franklin, Jim Wheeler; Barry Hayes; Louanna Heuhsen; Will Watkins; Marilyn Wayland; Tricia Williams

**Staff in Attendance:** Paul Johnson, Rector; Hillary West, Assistant Rector; Kathy Nunn, Director of Parish Operations

**Others in Attendance:** Marc Halbritter

**Vibrant Stewardship Trip Report and Update – Marc Halbritter**

Vibrant Stewardship Project

- Marc provided an update on this project. He and Paul travelled to Luther Seminary in Minnesota recently to represent CCE.
- CCE has exhibited many acts of faith and stewardship. Just recently these include:
  - Growing for the Generations
  - Gift of land
  - Visioning our future giving
  - Nathan Dungan’s teaching and Share, Save, Spend
  - Commitment to tithe our pledges to Missions and Outreach
  - Extreme generosity: Dedication of loose plate offering to Haiti relief, which was matched by the Vestry.
  - Our youth get it: Mission trips, Service Saturdays and Spaghetti dinner (with half of the proceeds going to Haiti relief).
  - Response to the challenge of increased giving
- Background on the Vibrant Stewardship Project
  - Led by Luther Seminary in Minnesota
  - Funded by the Lilly Foundation
    - There is no expense to CCE for our participation.
  - Three year project
  - Seeks to engage thriving, life-giving congregations, and those that aspire to be so, with the seminary in order to:
    - Discover how to cultivate vibrancy
    - Identify the type of leadership necessary to promote it
    - Create and strengthen networks of support for vibrant congregations
- Six critical dimensions make up vibrant congregational life and culture, and Luther Seminary is conducting a “sub-project” in each of these dimensions.
  - Biblical Preaching and Worship

- Biblical Fluency
- Vocation
- Congregational Mission
- Children, Youth and Family Ministry
- Stewardship
- Christ Church was selected as one of nine congregations to participate in the Vibrant Stewardship dimension. The others are:
  - Ascension Lutheran Church, Thousand Oaks, CA
  - Trinity Lutheran Church, Minneapolis, MN
  - Light of the World Lutheran Church, Minneapolis, MN
  - Peace Lutheran Church, Tacoma, WA
  - Lamb of God Lutheran Church, Indianapolis, IN
  - Our Redeemer Oromo Lutheran Church, Minneapolis, MN
  - Augustana Lutheran Church, Minneapolis, MN
  - St. Alban's Episcopal Church, Austin, TX
- Group highlights:
  - Seven congregations are Lutheran; two are Episcopalian.
  - Four congregations are from Minnesota; one each from Virginia, Texas, Indiana, Washington and California.
  - Three are very large (>500 average attendance); the others probably see 100-200 each Sunday.
  - One congregation speaks Oromo (Ethiopian).
  - Two congregations are in urban areas and are very diverse.
  - One is isolated on a hill outside a large metropolitan area.
  - Five are suburban congregations.
- The thesis underlying the project is:
  - Generosity is a major characteristic of vibrant congregations.
  - So there is value in learning:
    - What are the core perspectives in the congregation about stewardship?
    - What core practices are present in the congregation and among the leaders (especially the pastors)?
    - What core skills do we find in the leaders of the congregation that bring capacity to the church's sense of stewardship and service to God?
    - When and how were the perspectives, practices and skills of the congregation's stewardship leaders formed?
  - We also need to learn how others plan to adapt to the information age.
- The phases of the project are:
  - Select participating congregations
  - Develop and implement voluntary surveys and interviews of congregational leadership and particular members

- Luther Seminary will analyze interviews and report findings on key factors, influences, or changes
- Distribute and publish results
- Invite conversation and discussion about findings, and begin to develop resources for congregations based on what is discovered
- Experiment
- Review and reach conclusions
- Each congregation has a team, which includes clergy (Paul) and lay (Marc) co-leaders. Other members of our team are:
  - Libby Bush
  - Keech Legrand
  - Jennifer Sarych
  - David Wasik
  - Tom Weed
- What has been done so far?
  - Our team has:
    - Met twice
    - Studied scripture together
    - Read and summarized articles and presentations on stewardship
    - Written and shared our money autobiographies (a powerful experience!)
  - The Project Team has:
    - Met once
    - Shared information about who we are
    - Spent time building relationships
    - Discussed next steps
- Next steps:
  - Obtain Vestry's continued commitment (Nov 2010)
  - Conduct the survey and interviews (Jan 2011)
    - Finalize survey and interview questions
    - Prepare congregation for the project
    - Conduct survey and interviews
  - Review survey results (Apr 2011)
    - Identify learnings
    - Develop possible experiments around stewardship
  - Attend Consultation II to discuss possible experiments and agree on a path forward (May 2011)
  - Experiment (Jun 2011 – Apr 2012)
  - Attend Consultation III to review experiments and what we learned (May 2012)
- What we expect:
  - A developing culture of Vibrant Stewardship where:
    - We understand the Bible and what it teaches us about Stewardship
    - We practice what we have learned

- We live Share, Save, Spend
  - A community of faith that values stewardship
  - A church that is valued by its members as a vehicle for stewardship at home, in Short Pump, greater Richmond, across the country and around the world.
  - Revelation of God's long term plan for us in terms of Stewardship.

**RESOLVED, that the Vestry of Christ Church Episcopal approves the following resolution pertaining to our participation in the Vibrant Stewardship Project. This motion was seconded and carried.**

- ❖ **WHEREAS, the Vestry of Christ Church Episcopal earlier this year supported an application being filed to participate in the Vibrant Stewardship Project sponsored by the Luther Seminary;**
- ❖ **WHEREAS, Christ Church Episcopal was one of nine congregations from across the country selected to participate in the Project; and,**
- ❖ **WHEREAS, after learning more details about the Project, the Vestry remains excited and interested in discovering where God will take us through this Project;**
- ❖ **NOW, THEREFORE, BE IT RESOLVED, that the Vestry of Christ Church Episcopal hereby reaffirms its commitment to the Project and encourages the congregation to actively participate in it.**

After his presentation, Marc left the meeting with the Vestry's gratitude and appreciation for his leadership of this project.

**Financial Report – Kathy Nunn:** Kathy presented the financial update for October 2010.

- Summary Highlights Through October 2010:
  - Revenue
    - Revenue for the month of October was over budget by \$20K.
    - Revenue for the year through October is \$17K over budget.
  - Expenses
    - Expenses for the month of October were on budget at \$93K.
    - Expenses for the year through October are running \$37K favorable to the budget.
    - Favorable variance is driven primarily by delayed Mission & Outreach spending offset slightly by higher compensation and buildings and grounds expenses.
  - Net Surplus / (Deficit)
    - The deficit for the year through October is (\$101K).
    - Our 2010 outlook is a deficit of (\$95-100K).
  - Cash Position
    - Our cash position, excluding a recent \$100K gift, is slightly improved from last month, with an unrestricted cash balance of \$71K.

- Including the gift, which the Vestry has discussed setting aside, our unrestricted cash is \$171K.
  - Other
    - At the end of October, the balance on our construction loan is \$116K.
- Revenue Highlights:
  - October monthly revenue was over budget by \$20K, i.e. \$95K vs. a budget of \$75K.
    - Pledge income was over budget by \$13K.
    - Non pledge giving was over budget by \$6K.
  - Year to date (YTD) revenue through October exceeded budget by \$17K driven by both pledge income and non pledge giving. The only line unfavorable to budget is loose plate cash.
  - October YTD total revenue is slightly ahead of 2009.
    - \$724K in 2010 vs. \$722K in 2009.
    - This is still below October 2008 YTD of \$795K.
- Expense Highlights:
  - Expenses for the month of October were on budget.
  - Expenses for the year through October are favorable to budget by \$37K.
    - Ministry spending is under budget by \$10K YTD.
    - Missions & Outreach spending is under budget by \$33K YTD.
    - This is offset by unfavorable variances in buildings and grounds (\$5K) and compensation (\$4K).
  - 2010 expenses through October are running \$50K higher than 2009 expenses driven by:
    - \$23K of compensation expense due to full staffing all year.
    - \$12K in G&A expense comprised of higher spending on discretionary fund (\$4K), office supplies and paper (\$3K), and copying expense (\$3K).
    - \$15K in other ministry spending: Nursery \$2K, Music \$5K, Youth \$3K and Diocesan support \$8K, offset by lower spending in Missions & Outreach.

**RESOLVED, that the Vestry of Christ Church Episcopal approves the financials for October 2010. This motion was seconded and carried.**

**Projected Cash Position at December 31, 2010 – Kathy Nunn**

- The projected cash position at December 31, 2010 is \$128K. This is estimated as follows:
  - Unrestricted cash as of December 31, 2009: \$205K
  - 2010 activity:
    - Budget Deficit of (\$93K)
    - Haiti Gift (\$19K)
    - ACS (\$ 5K)
    - Vestry Designated Transfer \$40K

- Projected Unrestricted Cash at December 31, 2010 \$128K
- This assumes that income and expenses for 2010 are at budgeted amounts.
- This does not include the \$100K special gift.
- We discussed the advisability of moving the \$40K to the operating account.

**RESOLVED, that the Vestry of Christ Church Episcopal approves the transfer of \$40,000 from the Vestry designated account, and releasing it back into the operating account as unrestricted cash. This motion was seconded and carried.**

**Details on the Three Types of Restricted Accounts – Kathy Nunn**

- There are three types of restricted accounts – Restricted Accounts, Vestry Designated Accounts and Special Deposit Accounts.
- Restricted Accounts:
  - The donor places a restriction on the way the funds may be spent.
  - It requires donor approval to spend the funds on anything else.
  - These funds are not in the operating account; they are in separate accounts.
  - A total of 26 individual accounts comprise this group.
  - By general category, these are:
    - Music \$ 90,258
    - Mission & Outreach \$ 23,822
    - Lydia’s Purse \$ 5,234
    - Ministries \$ 11,058
    - Growing for the Generations \$ 13,763
    - Memorial Gifts \$ 12,290
    - Memorial Garden \$ 12,960
    - Youth \$ 8,721
    - Buildings & Grounds \$ 2,431
    - Clergy Discretionary Funds \$ 5,427
    - \$185,964
  - The specific ministry group controls these funds.
- Vestry Designated Accounts:
  - The Vestry votes to set aside funds for a specific purpose.
  - The Vestry has the right to change or release these funds at any time.
  - Accordingly, the Vestry has control over the funds listed below, except for the Soil Erosion Bond, which should be released to the G4G Account upon completion of the Youth Building, and which will be used to pay down the construction loan.
    - Other \$ 45,650
    - Songbook \$ 21,710
    - Soil Erosion Bond \$ 9,000
    - Community Garden \$ 837
    - \$ 77,197

- “Other” includes \$40,000 set aside from previous year for 2010 operating shortfall (and which was moved into the operating account per the motion referenced above), \$2,725 for fiber optics, and \$2,925 for ACS update and training.
- The “Songbook” funds were set aside in 2007 to possibly replace the old song books.
- Special Deposit Accounts:
  - These are funds that have been collected and held by CCE to be paid to a third party.
  - Examples include deposits and payments held for adult and youth retreats and trips.
  - They are also used as holding accounts for events like the Missions & Outreach consignment sale.
    - Flower Guild \$ 2,479
    - Missions Consignment Sale \$ 4,242
    - Youth (Trips & Retreats) (\$ 1,665)
    - Women’s Retreat Fund \$ 484
    - Payments/Receipts Pending (\$ 3,517)
    - \$ 2,023
  - “Payments/Receipts Pending” includes \$4,600 of expenses for the shed relocation that will be reimbursed by Henrico County.

**Update on the Growing for the Generations Campaign – Kathy Nunn**

- We are nearly through the second year of the three year Growing for the Generations Campaign.
- The original campaign pledge total was \$1,607,000.
- The current campaign pledge total is \$1,561,000, reflecting a reduction of (\$46,000).
- Collections through October 31, 2010 are \$1,014,000, or 65% complete.
- However, our planned collections for Q4 2010 were \$227,000. In October 2010 we only collected \$18,000, so the balance to be collected in Q4 2010 to stay on plan is \$209,000.

**2011 Budget Work and Presentation – Bill Beattie and Kathy Nunn**

Bill and Kathy discussed factors that will go into the 2011 budget process.

- Reviewing the 2010 budget.
  - The sources of 2010 budgeted revenue:
    - Pledge Income: Represents 85% of total revenue.
    - Loose Plate: Represents cash received at our services, and represents 2% on historic average.
    - Non Pledge Giving: Reflects individuals and families who have historically given but have not pledged. This represents 13%.

- Other Income: This includes interest, gifts from groups that use our space and other non donation revenue items. This comprises less than 1%.
- 2010 budgeted expenses:
  - “Keeping the Lights On”: This includes Buildings & Grounds, Utilities and Church & Office G&A. This represents 17% of expenses.
  - Salaries & Benefits (for clergy and lay staff): This represents 64% of expenses.
  - Ministries & Programs: These include ministries and programs within CCE. They represent 7% of expenses.
  - Missions & Outreach and Diocesan Support: These include outward directed funding. They represent 12% of expenses.
- An initial look at 2011 budget considerations
  - Based on our results through November 15, 2010 in the Annual Giving Campaign, these revenues are estimated:
    - Pledge Income (representing 95% of what has been pledged since that is typically what we collect): \$981,874
    - Loose Plate Estimate: \$ 26,000
    - Non Pledge Giving Estimate: \$144,000
    - Other Revenue Estimate: \$ 3,500
  - What is changing in 2011 on the expense side:
    - The new Youth Building will require additional spending, namely:
      - Contracted / part time janitorial service: \$10,800
      - Utilities: \$ 3,500
      - Property & Liability Insurance: \$ 2,000
      - \$16,300
    - Other increases in operating expenses:
      - Cleaning supplies: \$ 3,500
      - Utilities (water & sewage, electricity, etc.) \$ 9,800
      - Office supplies / copying expenses \$ 2,910
      - \$16,210
    - So, there is about \$32,510 in expenses that we know we will incur in 2011 above what we spent in 2010.
- Considering our Options
  - We discussed budgetary options available to us.
  - We created a budget working group comprised of Bill Beattie, Kathy Nunn, Will Watkins, Louanna Heuhsen, John Daylor, Marilyn Wayland, Mike Richards and David Latham.
  - The budget working group will come back to the Vestry with at least two budget alternatives for the full Vestry to consider as soon as possible.

**Officers’ Report – Joe Gallagher and Bill Beattie**

Update on Counter-Offer from the County - Joe

- We are still waiting for the County's counter-offer.

Update on the Youth Building - Joe

- We still hope to be in the building by the end of 2010.

What December Will Look Like for Vestry Discussions and Meetings - Joe

- Our next Vestry meeting will be on Tuesday, December 7. We will not have November financials at this meeting because it will be too early.
- Hopefully, we will receive an offer from the County in December. If we do, we may need to schedule a special Vestry meeting to discuss it.

Approval of Treasurer for CCE Beginning in 2011 - Joe

- David Latham has agreed to serve as our Treasurer.
- David has a background that makes him highly qualified for this role. He is an auditor for non-profit organizations.

**RESOLVED, that the Vestry of Christ Church Episcopal approves David Latham as Treasurer of Christ Church Episcopal beginning January 1, 2011. This motion was seconded and carried.**

Approval of Joining the Consortium of Endowed Episcopal Parishes and to Send Three People to the Conference in February 2011 - Joe

- Last year we sent three people (Paul, Hillary and Shelley Putney) to the Consortium's annual meeting.
- Joining the Consortium would cost about \$750, plus travel to the 2011 meeting in Chicago.
- We decided to table the proposal of joining the Consortium until December.

Preschool Budget - Will

- The Preschool Board has approved a recommended budget. It includes a 3% increase in tuition income. It also includes a 3% increase in the staff payroll budget.
- Cheri Erk has met with other preschools to determine their projections for next year's tuition rates. It appears that most preschools will be instituting a similar tuition rate increase.
- As in past years, the proposed budget is based on an enrollment of 64 children. For the past three years, enrollment has been 67 children. Furthermore, scholarships and the employee tuition incentive now account for 4.5% of the revenue that is generated.
- The Vestry was asked to consider a motion to approve the 3% increase in tuition along with the overall budget, subject to a determination on staff salary increases which will be determined by Paul and Kathy Nunn at a later time.

**RESOLVED, that the Vestry of Christ Church Episcopal approves a 3% increase in tuition along with the overall budget of the Christ Church Episcopal Preschool, subject to a determination**

**on staff salary increases which will be done by Paul Johnson and Kathy Nunn. This motion was seconded and carried.**

#### Capital One Accounts

- CCE has two accounts with Capital One that are active but have no balances.
- We may need these accounts to deposit funds received from the County.
- These funds have no authorized signers at this time.

**RESOLVED, that the officers be authorized to execute the documents required to allow two officers to sign checks on behalf of Christ Church Episcopal from the Capital One accounts; PROVIDED, two signatures are to be required for all checks. This motion was seconded and carried.**

#### **Rector's Report – Paul Johnson**

##### Annual Meeting

- CCE's annual meeting will be held on Friday, January 28, 2011. Will Watkins indicated that he will check with the men's group about providing the meal that will accompany the meeting.

##### Meeting of Richmond Area Clergy

- Paul and Hillary reported that they attended a gathering of Richmond area clergy on November 18 at Richmond Hill. Numerous issues of regional concern were discussed, including poverty and housing.
- The discussion put into focus the responsibility that has been placed on CCE in addressing these issues. The growth in Henrico County represents a growth in need.

Following a wrap up and closing prayer, the meeting was adjourned at 9:45 p.m.

Respectfully Submitted,

Jim Wheeler  
Registrar