

**Christ Church Episcopal
Vestry Meeting Minutes
April 27, 2011**

Approved May 25, 2011

Location: The Parlor

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

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

Others in Attendance: David Latham, Treasurer; Susan Bruce; Pere Henry Fritz Valdema, Rector of St. Marc Church in Lilavois, Haiti and five other Episcopal churches in Haiti; Carmel Valdema

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

Haiti - Pere Henry Fritz Valdema, Carmel Valdema:

We welcomed our friends from Haiti -- Pere Henry Fritz Valdema (Pere Val), and his wife Carmel.

- This weekend we officially begin our partnership with St. Marc Episcopal Church, Lilavois, Haiti, one of the churches destroyed by the earthquake and pastored by Pere Val. Pere Val will be preaching at all three worship services at CCE the weekend of April 30 – May 1.
- Pere Val described for us the churches and schools they serve in Haiti.
 - There are six churches and six schools that he serves. The largest school has 478 students.
- Carmel is a practicing nurse (for 27 years). She has established nutrition programs which benefit children. She has also been instrumental in creating clinics at which free or very inexpensive healthcare and medicine is provided.
- Pere Val and Carmel conveyed to us the greetings and love of the people of their parish, especially St. Marc. They pray for us everyday and look forward to seeing our mission teams.
- They thanked us for choosing them as a partner church.
- We are excited that Pere Val and Carmel are with us as we give thanks for the opportunity to serve with our new friends in Haiti where there has been much suffering and hardship.

March Financials – David Latham:

| | 2011 Current Month | | | | | | 2011 Budget | |
|-------------------------------|--------------------|------------------|-----------------------|------------------|------------------|-----------------------|-----------------------|--------------------|
| | March Actual | March Budget | Variance over/(under) | YTD Actual | YTD Budget | Variance over/(under) | 2011 Full Year Budget | Mar YTD % of Total |
| Revenue | | | | | | | | |
| PLEDGE INCOME | \$140,495 | \$88,030 | \$52,465 | \$277,014 | \$252,788 | \$24,225 | \$1,049,024 | 26% |
| LOOSE PLATE NON PLEDGE GIVING | \$1,884 | \$1,503 | \$381 | \$5,701 | \$4,557 | \$1,145 | \$26,000 | 22% |
| OTHER REVENUE | \$18,455 | \$10,244 | \$8,211 | \$51,351 | \$26,340 | \$25,011 | \$144,000 | 36% |
| | \$868 | \$292 | \$577 | \$1,398 | \$875 | \$523 | \$3,500 | 40% |
| TOTAL REVENUE | \$161,702 | \$100,069 | \$61,633 | \$335,463 | \$284,560 | \$50,904 | \$1,222,524 | 27% |
| Expenses | | | | | | | | |
| Salary & Benefits | \$57,934 | \$58,601 | (\$667) | \$182,322 | \$182,588 | (\$266) | \$781,673 | 23% |
| Facilities | \$18,544 | \$18,773 | (\$229) | \$54,481 | \$63,428 | (\$8,948) | \$243,815 | 22% |
| Ministries | | | | | | | | |
| Adult Ministry | (\$70) | \$363 | (\$433) | (\$70) | \$726 | (\$796) | \$4,000 | -2% |
| Children's Ministry | \$913 | \$426 | \$487 | \$1,648 | \$1,309 | \$339 | \$10,380 | 16% |
| Nursery | \$1,721 | \$1,667 | \$55 | \$5,438 | \$5,000 | \$438 | \$20,000 | 27% |
| Youth Ministry | \$628 | \$1,720 | (\$1,092) | \$3,710 | \$3,630 | \$80 | \$18,990 | 20% |
| Music Ministry | \$517 | \$1,000 | (\$483) | \$1,990 | \$6,270 | (\$4,280) | \$19,600 | 10% |
| Lay Pastoral care | \$0 | \$0 | \$0 | \$0 | \$0 | \$0 | \$500 | 0% |
| Social/Newcomers | \$32 | \$342 | (\$310) | \$489 | \$592 | (\$103) | \$3,368 | 15% |
| Worship | \$743 | \$1,213 | (\$471) | \$2,571 | \$2,390 | \$181 | \$10,910 | 24% |
| Mission & Outreach | \$10,930 | \$7,868 | \$3,062 | \$16,607 | \$23,603 | (\$6,996) | \$104,902 | 16% |
| Diocesan Support | \$5,094 | \$5,094 | \$0 | \$15,281 | \$15,281 | \$0 | \$63,526 | 24% |
| Preschool | (\$603) | (\$603) | \$0 | (\$1,809) | (\$1,809) | \$0 | (\$7,236) | 25% |
| Total Expenses | \$96,382 | \$96,464 | (\$82) | \$282,658 | \$303,009 | (\$20,351) | \$1,274,428 | 22% |
| Surplus/(Deficit) | \$65,320 | \$3,606 | | \$52,806 | (\$18,449) | | (\$51,904) | |
| as a % of Revenue | 40.4% | 3.6% | | 15.7% | -6.5% | | -4.2% | |

- David provided general comments on the March financial statements.
- Pledge income exceeded budget by \$52K due, in part, to the payment of a large pledge.
- April's budget for pledge income is \$103K, and we have collected only \$22K through the first two weeks.

- Non-pledge income continues strong. We have received several large gifts from individuals who did not pledge during the Annual Campaign.
- We are on track for revenue and expenses with no red flags.

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

Investment Policy – David Latham:

- The Finance Committee was unable to meet this month. The investment policy is still pending. We should have a recommendation from the committee by the May Vestry meeting.
- We discussed the discernment process involving the County funds we received.
 - We are faced with a variety of intertwining questions including the direction of CCE over the next several years, the desires of the congregation as they relate to this issue, and how best to create a discernment process for using the land and the money.
 - Without a broadly communicated set of values against which we can decide how to use the funds, we could be all over the place in terms of ideas.
 - It was decided that we need to invite the congregation into a conversation about our purpose, our call and our future – and how these gifts can best allow us to realize our objectives. (More on this appears later in the minutes.)

Ministry Team Process – Louanna Heuhsen:

- Louanna circulated draft guidelines that set forth a process for our various ministry groups, including the Vestry, the Finance Committee, search committees, and ministry teams.
- The guidelines address such things as the structure and purpose of the groups, governance, books & records, and a financial approval process.
- The financial approval process relates to ministry groups, rather than the payment of general parish expenses.
- The next step is to present and discuss the guidelines at a meeting of ministry team representatives on May 15.

RESOLVED, that the Vestry of Christ Church Episcopal approves the adoption of the Ministry Team Guidelines attached to these minutes as Attachment 1. This motion was seconded and carried.

Sabbatical – Paul Johnson:

- Paul asked the Vestry to allow him to discuss with the wardens the opportunity for him to take some sabbatical time.
- This would entail a time of reflection and study. It is common for clergy and ministry staff to have some sabbatical time every seven years. It has been longer than that for Paul.

- The sabbatical would probably last two to three months.
- Paul will talk more with the wardens about this and they will come back to the Vestry with a definite plan.

Retreat Initiatives Updates:

Communication – Elizabeth Franklin

- There will be a meeting on Sunday, May 15 from 7:00 to 9:00 pm in the worship space to discuss the ministry team process. The Ministry Team Guidelines will be communicated.
- The expectation is that every Vestry person be present, along with the chair of each ministry or a designee.
- The meeting will provide us an opportunity to collaborate and talk through issues pertaining to the ministry team process.

Facility Master Plan – Andy Hagy

- The team working on the facility master plan walked about the campus, and took a tour of the new roadway, with an eye toward the view of CCE from North Gayton Road. Looking at our campus from the angle of the new road presents a different perspective and highlights some needs to improve our curb appeal.
- At the start of the May Vestry meeting, the Vestry will walk along the new roadway to assess the view, the new entranceway, what needs to be cleaned up, and what needs to be relocated.

Membership – Tom McNally

- Tom reported on the membership project, which is aimed at defining what it means to be a “member” of CCE, then developing a plan to communicate it.
- This is not an easy topic to discuss because we do not want to exclude anyone or set up any impediment to anyone worshipping at CCE. We do want to encourage people to be members, though.
- The guiding principal is that the project should result in attendees striving to become “ideal” members during their life at CCE (i.e. attend regularly, involved in ministries, pledge, engage in Bible study, etc...), and it should not make attendees feel excluded or unwelcome if they are not ready to become a member.
- The goal is to create a one page document that we will hand out that describes what it means to be a member and how a person becomes one.
- There will be training and a roll out process, which will need to be coordinated with our stewardship efforts.
- They are considering starting the roll out near the beginning of the stewardship campaign and concluding it with the annual meeting.

Brief Updates:

- Summer Calendar: We have numerous significant events occurring at CCE from May through the summer months. A complete list is on the CCE website.
- Growing for the Generations: The team chaired by Lilly Andrews and Pete Gallagher is working on plans to raise awareness of the campaign and ensure that we finish strong. The message will focus on the good news of where we have been, the strides we have made, and could include success stories. We want to remind people to keep up with their pledges and also ask new people to contribute. Methods of communication could include emails, direct mailing, and announcements.
- Memorial Garden: Barry Hayes and Tricia Williams reported on the progress of the Memorial Garden committee. A landscape architect has looked at our property. Barry will obtain a copy of the current master plan of the campus. We will need to learn the preferences of the congregation of whether the memorial garden would be a place to scatter ashes or whether it would entail a columbarium for inurnment (or a combination of the two). The next meeting of the committee is April 28.
- Music room lights: Originally there was insufficient lighting in the music room. Additional lighting has been added, which was paid for out of existing funds.
- Road schedule: Bill Beattie provided dates of the road construction that we obtained from English Construction, the contractor working on North Gayton Road.
 - Start stripping top soil: In progress
 - Install utilities: In progress
 - Stone road: August 2011
 - Pave road: September 2011
 - Open road: June 2012
- New driveway: The new driveway into CCE off of North Gayton Road needs to be a certain distance from the intersection. This limits our options as to where the entrance will be. Since the County is changing the grade of the road bed, we need to fill in the portion of our property where the entrance will be to raise the grade. The original estimate for constructing the entrance was in the range of \$60,000 to \$80,000. It is now looking more like it will be \$140,000 to \$180,000. We are waiting on an additional bid from a contractor, after which we will have a better sense of the exact cost. We should have the final figure by the May Vestry meeting. If we need to act on a proposal sooner than that, we will do so by electronic vote.
- Garage renovation: The Buildings & Grounds Committee has developed a three phase plan to renovate the “old garage”, recently vacated by the youth team. The three phases are:
 - Phase I and II would create storage space, provide a new drop ceiling and light fixtures, repair drywall as needed, paint and carpet the entire space. Buildings & Grounds can accomplish this from donated material (most of which is already on site), volunteer labor and funds already on hand.
 - Phase III would involve removing the roll up doors, installing two large windows (left over from the sanctuary project), framing and sheet rocking the interior,

and installing siding to match the existing exterior. This also assumes volunteer labor.

- The renovation could be completed in approximately two months and would provide additional meeting space. It could also have a section set aside as a library where the materials formerly housed in the parlor would be available. Those items have been in storage since the sanctuary expansion began.
- There are no existing funds to complete Phase III. It could be completed for \$2,300 to \$2,500.
- The question before the Vestry was whether we approve the expenditure of funds for this project (\$2,300 to \$2,500). We discussed whether this project could be funded by designated accounts, such as memorial funds. Kathy Nunn and David Latham will look into this possibility. In the interim, we agreed that Buildings & Grounds should proceed with Phases I and II.

The Vestry decided by acclamation that if the funds for renovating the “old garage” of up to \$3,000 can be secured from an existing designated memorial fund, the Buildings & Grounds Committee can use those funds for Phase III of the project.

- Securing Audio Visual Equipment in the Sanctuary: We have had discussions about securing the audio visual equipment in the sanctuary for some time. An initial plan has been developed to secure the equipment for approximately \$3,000. The plan needs to go to Buildings & Grounds for review. We discussed whether to table the request until the May Vestry meeting to allow the plan to be vetted by Buildings & Grounds or allocate funds for the project at this time. We discussed the source for the funds.
- One of those sources could be funds now in a restricted account for the Music Ministry. Prior to the kick off of the Capital Campaign, a donation of \$80,000 was made but restricted for stained glass windows. When it was decided that we would not have stained glass windows, the donor redirected the funds to the Music Ministry. Including the music wing in the initial phase of construction (it was the third priority designated by the congregation) significantly increased the overall budget. However, given that it was less costly overall to build it at the same time as the sanctuary expansion, the Vestry decided to move forward. An agreement was reached at that time between the Vestry and the Music Ministry that if Capital Campaign pledge collections fell short of the total amount pledged, the Music Ministry would contribute \$60,000 of those funds. This was made known to the congregation in a footnote to the presentation made by the senior warden when the congregational vote to proceed was taken.

RESOLVED, that the Vestry of Christ Church Episcopal delegates to the Buildings & Grounds Committee the decision to choose a method to secure the audio visual equipment in the sanctuary up to an expenditure of \$3,000, and further that the Vestry will ask the Music Ministry to provide funding for this project out of the Sanctuary Special Gifts restricted account. This motion was seconded and carried.

- **Preschool:** The CCE Preschool would like to hire Lori Gebhard as a Lead 3 teacher for the three year old class. She was interviewed by Christine Auman and Cheri Erk. Appropriate background checks will be run and reviewed as a condition of employment. The Preschool requests that the Vestry approves hiring Ms. Gebhard. Her background appears to be exceptionally strong. This request has been approved by the CCE Preschool Board of Directors.

RESOLVED, that the Vestry of Christ Church Episcopal approves the hiring of Lori Gebhard as a Lead 3 teacher for the three year old class, subject to the results of appropriate background checks. This motion was seconded and carried.

- **Easter Attendance:** At our four Easter services (Saturday evening and three on Sunday morning) we had total attendance of 1,901. This is an increase from 1,480 in 2010. It was noted that there can be a significant difference in attendance if Easter Sunday falls at the end of spring break (as it did this year) as opposed to the beginning of spring break (as it did last year).
- **Vibrant Stewardship:** We have received the results of the Stewardship survey that was conducted as part of the project we are involved in with Luther Seminary. A total of 230 people from CCE participated in the survey (and 1,053 participated from all of the congregations participating in the study). It is anticipated that a representative from the group will attend the May Vestry meeting and provide a detailed analysis of the results.
- **ACS Update:** Kathy Nunn provided an update prior to the meeting via a written report on the status with ACS. ACS is a module database system that CCE has used for 15 years. At the July 2010 Vestry meeting, we allocated \$5,000 to address issues with the ACS database. The funds were for an ACS consultant to perform a Simple Needs Assessment and Analysis of the current state of the ACS software at CCE and to provide funding for training of staff and volunteers. Since that time, ACS personnel have reviewed our use of ACS and have spent time with CCE staff. Upcoming milestones in the project include creating a data structure to capture ministry teams and other CCE activities, build necessary security structures for ACCESS ACS (on-line membership portal), and roll out ACCESS ACS to the congregation.
- **Staff Resources:** Paul noted that all of our events and initiatives take a lot of staff time. We are faced with the challenge of trying to do more things with limited staff time. We need to keep our staffing constraints in mind as we move forward with our projects.
- **Missions & Outreach:** The Missions & Outreach Ministry would like to continue collecting food and monetary offerings for the Central Virginia Food Bank on the first full weekend of each month.

RESOLVED, that the Vestry of Christ Church Episcopal approves the placing of receptacles for food and monetary donations to the Central Virginia Food Bank in the milling area during the first full weekend of each month through the end of 2011. This motion was seconded and carried.

Following a wrap up and closing prayer, the meeting was adjourned at 9:35 p.m.

Preschool Request:

- Following the adjournment of this meeting, on May 16, 2011 the Vestry was approached by the CCE Preschool Board of Directors about a proposal.
- The Preschool Board would like to add a new program beginning in the fall of 2011 for two year olds.
- Assuming the Vestry approves the request, the Preschool will hire two new teachers in conjunction with the two year old program. The Board has factored this cost against existing cash and the new tuition, and it feels comfortable with the overall impact on cash flow.
- The Board would like to get started on marketing and, to that end, asked the Vestry to approve the request as soon as possible.
- The Vestry considered and acted on this request by electronic vote.

RESOLVED, that the Vestry of Christ Church Episcopal approves the CCE Preschool establishing a program for two year olds to begin in the fall of 2011, recognizing that the Preschool will self fund the initiative with its existing resources. This motion was seconded and carried.

Respectfully Submitted,

Jim Wheeler
Registrar

Attachment 1

Christ Church Episcopal Governance Guidelines

Prologue: Christ Church has a number of engaged and dedicated groups of parishioners, doing important work for the benefit of our church community and our neighbors near and far. In order to help these groups:

- Work efficiently and effectively;
- Create sustainable programs; and
- Follow fiscal policies that are transparent to the congregation

we have created the following Guidelines for Ministry Group governance and process.

Applicability: These Guidelines are intended for:

- Vestry and

- Finance Committee
- Search Committees
- Ministry Teams:
 - Worship
 - Stewardship
 - Children
 - Youth
 - Adult
 - Buildings & Grounds
 - Music
 - Family
 - Missions & Outreach
 - Newcomers
 - Lay Pastoral Care
 - Memorial Garden
 - Future teams (collectively, the “Ministry Groups”).

Guidelines:

- Structure and Purpose:
 - The Vestry has responsibility, under the Canons and Virginia law, for the oversight of the affairs of the Church. The Vestry exercises this responsibility, not by managing the work of the Ministry Groups, but by, among other things:

- supporting the Rector and the rest of the staff;
 - approving the compensation of the staff;
 - assisting the Rector in setting Church priorities;
 - approving and revising annual budgets; and
 - approving significant capital projects and other expenditures of the Church's funds.
- Each Ministry Group is organized to pursue a particular aspect of the Church's mission.
- Each Ministry Group pursues its ministry as its members deem appropriate within the context of the Church's mission.
- Each Ministry Group determines independently how to spend the funds allocated to it by the Vestry, subject only to the financial approval policies established by the Vestry (attached hereto).
- Governance:
 - Each Ministry Group will agree upon a written mission statement or statement of goals. Each Group will re-visit and re-affirm or revise this statement at least once every two years.
 - Each Ministry Group will have at least one and preferably two chairpersons, elected by the Group for a one-year term (except in the case of Search Committees, which should elect chairpersons for the duration of the search).
 - The chairpersons will be responsible for guiding the work of the Ministry Group, including overseeing the setting of Group priorities and managing the Group's budget. The chairpersons are also responsible for seeking input from the Rector and the Vestry on decisions that, in the view of the chairpersons, are likely to have a material financial or reputational impact on the Church as a whole.
 - Each Ministry Group will have a secretary, who will be responsible for maintaining the Group's books and records, including recording the minutes of the Group's meetings.
 - Each Ministry Group will define in writing its expectations of a Group "member", including, e.g., regular meeting attendance, participation in the

Group's ministry, etc. The members will serve as decision makers for the Ministry Group. As a general rule, persons should serve as members of a Ministry Group no longer than three years, although they may serve in the Group's ministry for a longer period.

- At the discretion of the Rector, one or more staff members may serve as voting members of each Ministry Group. Staff members need not meet Ministry Group member expectations.
- Each Ministry Group will have the authority to remove a member from its membership list if the member does not meet the Group's expectations.
- Each Ministry Group will reach decisions by a majority vote of all the Group members [and not just a majority of those members present at a Group meeting], unless the Group agrees on a higher voting standard.
- Each Ministry Group will have a Vestry liaison. The Vestry liaison will serve as a full voting member of the Group, participating in the Group's meetings and ministry. The Vestry liaison will be responsible for:
 - keeping the Vestry informed about the Group's work, including letting the Vestry know of any support the Group requires from the Vestry; and
 - letting the Ministry Group know about Vestry initiatives and priorities.
- Each year each Ministry Group will prepare, and deliver to the Senior Warden no later than December 15 of each year, a brief written annual report on the Group's work in the previous year for presentation to the congregation. The annual report will include a general report on how the Ministry Group spent the funds allocated to it in that year's budget.
- Books and Records:
 - Each Ministry Group will maintain and deliver regularly to the Director of Parish Operations an up-to date copy of the Group's mission statement or statement of goals and an up-to-date list of the names and email addresses of:
 - All members of the Group; and
 - All persons who participate regularly in the Group's ministry.

- The secretary of each Ministry Group will keep brief minutes of each of the Group's meetings, outlining all significant decisions made in the meetings and deliver these minutes to the Vestry liaison for distribution to the Vestry.

**FINANCIAL APPROVAL POLICIES
FOR MINISTRY GROUPS**

| <i>Approval Authority</i> | <i>Amount of single expenditure or category of closely related expenditures</i> <i>(All Ministry Groups other than Missions & Outreach)</i> | <i>Amount of single expenditure or category of closely related expenditures</i> <i>(Missions & Outreach)</i> |
|--|---|--|
| Chairperson of the Ministry Group | \$500.00 | 5% of annual budget |
| Majority of the Ministry Group | \$2500.00 | 15% of annual budget |
| Majority of the Vestry | Amounts above \$2500.00 | Amounts above 15% of annual budget |

NB: The Director of Parish Operations will have authority to approve all agreements related to the facilities and Church financial operations, e.g., equipment leases, maintenance contracts, insurance policies.

NB: Approval may occur at the time of budget approval (through the approval of expenditure categories for an individual Ministry Group) or upon a subsequent request of a Ministry Group.

May 6, 2011