

St. Philip's Episcopal Church
Vestry Meeting
January 17, 2017
Minutes

Present: Ruth Smith, Sr. Warden, Bill Bittenbender, Jr. Warden, Bill Carney, Mike Chase, Maryann Darzano, Barbara Edwards, Geoff Gersen, Fallon Pearce, Dana Richardson, Dave Stevens, Jennifer Williams, Canon Jim Hanisian, Priest-in-Charge; Fr. Reggie Simmons, Assistant Priest. Excused, Marty Younts

Ex Officio: Bob Fuchs, Treasurer; Janet Fox, Clerk; Ray DiGuiseppe, Chancellor

Opening Prayer. Canon Jim opened the meeting with a prayer at 6:00 p.m.

Opening Devotion. Ruth Smith spoke about her own life and her lifelong connection to the Episcopal Church.

Approval of December 10, 2016 Meeting Minutes. Bill Bittenbender moved and Ruth seconded approval. The minutes were approved.

Approval of January 6 & 7, 2017 Vestry Retreat Meeting Minutes. – Ruth moved and Fallon seconded approval. The minutes were approved.

Treasurer's Report. (*Treasurer's Report attached*) —Bob reported that December, 2016 had been an excellent month, with revenues \$28,805 over expenses. He said that gifts had been received to buy all the items on the Wish List that had been distributed for replacements and improvements. Expenses were under budget for the month, but some 2016 insurance invoices are expected in the next few weeks, which will add \$8,000-\$9,000 to those expenses but will be recorded as 2017 expenses. Bob reported that the major driver of increased expenses was color copies of printed documents; and that other expenses were in line with projections.

Bob also reported that:

Fr. Reggie has been compensated from a temporary restricted fund. In the 2017 budget, Fr. Reggie and Canon Jim will be paid for the entire year out of the operating budget. The funds remaining in the Assistant Priest Escrow sub account in the LPL investments will be applied to Rev. Meg's severance package. The initial assessment is that these funds will be about \$6,000 short of fully funding Rev. Meg's payments. When it is apparent that these funds are about to be depleted, the Finance Advisory Committee (FAC) will provide recommendations to the Vestry for offset funding.

- A little over \$226,000 remains to be paid on the mortgage.

- The restructuring and streamlining of temporary restricted funds is almost complete.

- The firm of Earney & Company was asked to bid on conducting the audit for 2017, and their proposal has been received. *The proposal for a Review is in the range of \$4,500 to \$6,500 due to perceived potential problems in 2016 financial records for the period of time when St. Philip's Church was without a Treasurer. The 2017 budget has \$2,000 for a Review. The FAC is aware of this funding issue and is reviewing options to either reduce the cost of the Review or will be providing recommendations for offset funding.*
- Pledges have been received amounting to \$380,000, from 167 pledge units.
- The proposed 2017 budget is essentially balanced, incorporating the expectation of increased pledges and identified offerings.

Approval of 2017 Budget. On a motion by Dana, seconded by Ruth, the 2017 budget was approved.

Financial Advisory Committee (FAC) Report. Pledge monies received for 2016 were \$14,000 short of what had been pledged. Some shortfall is normal and to be expected. At year's end there was approximately \$92,000 in the checking account. *The checking account includes \$65,000 that is designated as Temporary Restricted funds. The \$27,000 difference is excess cash that contributes to our cash reserves. These funds, in addition to the funds set aside in the LPL investment account, provide the total funds that are available to pay the bills when monthly revenue is less than monthly expenses.* By Vestry policy, the goal is to have two months of cash reserves to cover the "summer doldrums" when Sunday collections are low relative to the other seasons of the year. Due to the excellent collections in December, we ended the year with 1.95 months (59 days) of cash in reserve (based on the 2016 spending average of \$37,000 per month).

The FAC recommends selling two parcels of land. One parcel is off Highway 211, near the Self-Store business between the Winding River and River-Sea communities. All land along Rt. 211 is zoned Commercial.. The other parcel is in Boiling Spring Lakes. Canon Jim said St. Philip's needs permission from the Diocese to sell the land, as well as the Vestry's approval. On a motion by Ruth, seconded by Bill Bittenbender, Vestry voted to proceed with selling the two parcels. Bill will ask three realtors to provide estimates of what the asking prices should be.

The FAC recommends establishing \$10,000 as the minimum amount for the Rector's Discretionary Fund. Canon Jim clarified that this is a fund for benevolent giving, set up to address the almost daily requests rectors receive from people in the community for food, gas, rent and other necessities. This fund, as directed by Church Canon is to be funded with the loose plate offerings from one Sunday each month. *At St. Philip's, no specific Sunday has been designated for this purpose. Historically, the Rector's Discretionary Fund has been well funded. In the December Balance Sheet, the fund was reported as having \$13,000.* The Vestry concurred to establish a base figure of \$10,000 that, when reached, would generate a requirement for the FAC to provide the Vestry a recommendation for offset funding.

The FAC raised the question of whether there should be a special committee to handle investments. After some discussion Vestry voted to make the FAC responsible for developing an investments policy.

Commission Reports. Canon Jim said that any commission liaison may come to the Vestry at any time with recommendations and questions, and that the commissions function much like the Financial Advisory Committee. Some of their decisions may need Vestry discussion. They will still need to submit written reports before Vestry meetings.

Maryann reported that Social Fellowship had received generous donations totaling more than \$900 for the lunch reception for the Bishop's visit on January 22. That reception will be held at the Maritime Museum.

Senior Warden's Report. Bob Stenhouse will chair the Financial Advisory Committee, and Dana Richardson will be the secretary. The committee will meet on the Thursdays before Vestry meetings. Paul Miller will chair the Mission Fund Committee, and Deborah Alt will be secretary. January 29 will be designated as Theological Education Sunday, and loose plate offerings will be donated to the seminary of the University of the South - Sewanee.

Junior Warden's Report. Hooks Systems, Inc. has submitted a proposal to provide unlimited IT (telephone and internet) support to St. Philip's for a period of six months. This proposal includes on-site assistance as needed, and a record of when and what kinds of assistance were called for. Bill said that this record would help Vestry understand what kind of contract for IT support would be needed ongoing and whether we would need to renew or compete this service when this contract expires in June. The proposal calls for \$325 per month, plus \$76 per hour for on-site help. Dave moved to accept the bid, and Geoff seconded the motion. The motion passed.

Bill said he would explore having church members take care of mowing the lawn. Currently, the church is paying \$2,500 a year for this service. The work can be done in about two and a half hours a month. A statue of Meezie Childs will soon be placed in the front yard near corner of Moore and Dry Streets. The business community of Southport will be putting in the cement pedestal for the statue, and St. Philip's will put in some landscaping around it.

Bill said he was looking into and prioritizing problems that had been reported, including the need for motion sensors in the Chapel. He encouraged Vestry to let him know about anything in the buildings and grounds that needs attention.

Fr. Reggie's Report. Fr. Reggie said that St. Philip's is a healthy, financially sound, growing church, with average Sunday attendance of 247 for 2016. He said St. Philip's representation at the Martin Luther King, Jr. Breakfast had been outstanding. "This is an extraordinary church," he said. "All commissions are on the path to doing what we are charged to do. It is a joy to be with such focused, loving Christians."

Canon Jim's Report. Three Saturdays were proposed for all day Vestry meetings: March 25, May 6 and September 16. Canon Jim asked Vestry members to check their calendars, and said he realized that there were probably no three dates on which every member could be present. He distributed a process for Vestry for addressing the needs of St. Philip's which included:

- Understand what ministry is, and organize themselves and the congregation to promote ministry
- Understand the ways in which church structure and systems need to change as the size and complexity of a congregation changes
- Understand the ministry of a Vestry person and lead according to the ways which increase effectiveness and faithfulness in each member of the Vestry
- Begin a visioning process which will lead to the establishment of a strategic plan for St. Philip's which is widely known and affirmed by the membership of the congregation

Canon Jim said these steps could be taken in tandem, rather than sequentially, and that he would be pointing out opportunities and challenges, addressing the blurry line between policies and operations, and aiming for clarity.

The adult education which Canon Jim described at the Vestry retreat will begin in February.

Other Business. Ruth asked members to email to her changes to the SWEEPS mission descriptions which had been compiled in 2012.

Ruth stated that the laptop computer and iPhone which were provided to Rev. Meg have not been returned to St. Philip's. The Diocese recommends that we drop the issue. Other Vestry members noted that Rev. Meg had also not returned the chaplain's cross that belongs to the Daughters of the King.

In response to a request, future Vestry meetings in 2017 will begin at 5:30 p.m., rather than 6 p.m., on the third Tuesday of each month.

Attitude Check. All members said they were "fine" – meaning having no lingering questions and concerns about what had been decided at the meeting.

Closing Prayer. Canon Jim closed the meeting with a prayer. The meeting was adjourned at 7:16 p.m.

Respectfully submitted,
Janet Fox

Treasurer's Report to Vestry
January 17, 2017

Full-Year (2016) Total Revenues are \$474,111. This is \$20,678 over budget and \$30,346 more than in 2015.

- Full-Year pledge revenue is \$23,976 under budget and \$49,458 less than in 2015.
- Full-Year identified offerings revenue is \$30,185 ahead of budget and \$63,650 better than in 2015.
- Miscellaneous Receipts is \$15,845 ahead of budget. \$4,316 was received in December for the church wish list. Much of the other collections are offset by increased expenses or outreach payments.

Full-Year Total Expenses are \$447,385. This is \$3,017 under budget and \$6,495 more than in 2015.

- Rector's salary and benefits are \$30,118 higher than in 2015.
- Parish Administrator's salary and benefits are \$19,967 higher than in 2015.
- There is no Administrative Assistant this year saving \$7,725.
- Deposits are not being made to the Assistant Priest Escrow this year saving \$23,208.
- Education Supplies is \$2,100 less than in 2015. The under spend is because there was no vacation bible school this year.
- Youth Programs is \$4,573 under budget because they will not attend the National Acolyte Festival this year, which was in the budget.
- Miscellaneous Outreach is \$3,931 over budget and \$3,906 more than in 2015. Much of the increased spending is related to the Monday lunches and support for parish families, a good portion of which has been offset by increases in Miscellaneous Receipts.
- Electric & Water is \$4,725 under budget and \$7,491 less than in 2015. Reduced spending is because of the elimination of costs for Parkhill and efficiencies made in 2015.
- Cleaning Services is \$2,182 over budget and \$1,428 more than in 2015. The higher spending was for an unbudgeted cleaning service.
- Office Supplies is \$3,750 under budget and \$5,330 less than in 2015. The apparent lower spending is because all ACS expenses appear under Computers Network & Web.
- Office Machine Lease and Service is \$10,030 over budget and \$2,002 more than in 2015. The major driver is the increased use, and cost, of color copies on our copier machines.
- Miscellaneous Expense is \$6,420 over budget and \$13,612 more than in 2015. The major driver was the cost of a full audit instead of our annual review. Other increases were mostly offset by increased Miscellaneous Receipts.
- Postage is \$2,290 less than in 2015. The major reason is more communication is being sent electronically instead of through physical mail.

- Computers Network & Web is \$1,725 over budget and \$5,500 more than in 2015. The higher 2016 spending is for unbudgeted computer security and support. Full-Year, all ACS expenses are assigned to this account in 2016.
- Vestry Functions is \$15,648 less than in 2015. Search committee expenses and moving expenses for the new rector were incurred in 2015.
- Substitute Clergy is \$2,241 less than in 2015.
- Flower Expense is \$1,459 more than in 2015.

Full-Year Net Total (revenues minus expenses) is \$26,725 positive as compared to \$2,874 positive Full-Year in 2015, an improvement of \$23,850.

In 2015, Father Simmons' salary, benefits and approved moving expenses are being paid out of the Assistant Priest Temporary Restricted Fund. Invoices for his pension for 2016 have not been received and will be paid out of the Assistant Priest Temporary Restricted Fund.

The outstanding mortgage balance is \$226,157. \$5,075 of mortgage reduction donations have been sent to the bank to reduce the balance.

The approved temporary restricted fund consolidation has been implemented.

The end-of-year checking account balance is \$92,140, which is \$6,464 more than at the end of 2015.

The end-of-year Rector's Discretionary checking account balance is \$13,343. \$1,515 of additional donations in the temporary restricted fund will be moved to the Rector's Discretionary checking account shortly.

The end-of-year investment account balances are \$519,984, which is \$6,462 less than at the end of 2015. As part of implementing the temporary restricted fund recommendations, \$28,462 was moved from the checking account to the LPL investment account in early January.

Earney and Co., the firm that performed the audit for 2015, has been asked to provide a proposal for doing a review of the 2016 finances.

Respectfully submitted,
Bob Fuchs
Treasurer

Christian Education Commission January 2017 Report

1. A Christian Education committee has been created with members currently including Jill McLaughlin, Alison DiGuiseppe, Kim Simmons, and Jennifer Gould. The committee welcomes any other members interested in

helping with the youth programs. Currently Nan Bush continues to oversee several adult programs: Bible, Seekers, and meditation. Bible is an in-depth look at scripture in its cultural and historical context looking for how we can connect to what's true, whether or not it is factual. In year #4, they have reached the New Testament and are looking deeply at Paul before moving to the Gospels. The routine mailing list is now up to 14 people. When they finish the NT they plan to look at the Desert Fathers. Seekers began with using the DVD series 'Living the Questions.' Four years later they are on the third time through the series, with people marveling that "It's the same program, but my questions have changed!" This program appears to be well received and is described as fabulously good material. Attendance for this class ranges from 8-12. Meditation is a half hour of silence on Wednesday mornings. Despite the fact this is a little group of 2-4 it is very meaningful for those that attend.

2. At the suggestion of Canon Jim during the retreat an adult education class will be reinstated between the Sunday services. Leaders and programs are yet to be established but could include Canon Jim's topic on the church polity. Evaluation of the cost of adult bible studies could give insight in the topics and the attendance as the numbers have been low in the past. This would also give those working during the times of the other programs to participate in a weekly adult education ministry.

3. The current Sunday children's church curriculum is Lesson Plans That Work found on Episcopaldigitalnetwork.com. These lessons follow the liturgical calendar and can be downloaded free of charge for use in our program. Teachers currently include Tina Powers, Jennifer and Matt Gould, Marian Stevens, Rose Dahill, and Jill and Jon McLaughlin. Assistants include Deborah Alt and Ace Perras.

4. The church did receive electronically a year subscription to Children's Worship Bulletins that was renewed November 20, 2016 for \$99.90. These could be prepared by the parish administrator for the Sunday children's church and follow the liturgical calendar as well. I am unsure of the cost of preparing these bulletins but perhaps this is a ministry for someone with access to a printer.

5. It has also been suggested we reinstate the monthly Friday night movies for the youth. This was a simple and very well received program that has been greatly missed. Previously the movie was played in the choir room and popcorn only was provided by a popcorn machine. Other locations could be considered and technology/equipment would need to be re-evaluated.

6. A parishioner has offered to evaluate the children's play yard for landscaping needs and determine the feasibility of enclosing the

trash/recycling receptacles. Any other items needing storage could be incorporated in this enclosure. Depending on design the member has offered to donate labor and cost of materials.

7. Planning for vacation bible school has already begun. A discussion was made about networking with the other local churches to coordinate dates so as not to overlap weeks and invite all children of the area to attend.

Inclusion of more children helps to foster the Christian community of youth and promote the program of children's education at St. Philip's church. One suggestion was for an all-day program but this would be dependent on the numbers of lay ministers available for this length of time and the cost.

Social Fellowship Commission

January 2017 Report

1. **Carol Beers' Memorial Service:**

Today's lovely Funeral Reception for Carol Beers was supported by volunteers throughout the church. Our sexton Kitty set up the Parish Hall. The Flower Guild provided the centerpiece. Many parishioners brought sandwiches, deviled eggs, fruit, vegetables, and dessert. Having a set menu as opposed to simply requesting finger foods was successful.

2. **The Bishop's Reception:**

Preparation for the Bishop's Reception continues. As you know, it will be held at the NC Maritime Museum. By offering the option of contributing \$5 per person, we have few bakers/cooks. The menu consists of quiche, ham biscuits, salad, and cookies. We hope all vestry members will help clean up. An anonymous donor is covering the cost of the rental tables, tent, and outdoor heaters.

3. **Organizational Meeting:**

Volunteers who signed up at the Ministry Fair to help this commission will meet at Marty's house the evening of 1/31 (7:00). We will provide seven sign-up sheets for various projects, hopefully delegating many of this commission's duties for 2017. All Vestry Members are welcome to attend and bring your partner.

4. **Coffee Guild**

Until the above meeting takes place and the 2017 Coffee Guild is formed, **the Vestry Person of the Day will continue to provide 10:30 refreshments.** 8:30 refreshments are following the same routine as last year.

