

**St. Philip's Episcopal Church
Vestry Meeting
August 18, 2020
Minutes**

Present: Fr. Eric Mills, *Rector*, Bill Carney, *Sr. Warden*, Maitland Barnes, *Jr. Warden*, Paul Miller, Debbie Evans, Deborah Jordan, Tom Griffin, Harry Singley, Liz Halbert, Holly Meiners, Dave Ham, Mike Chase, Steve Russell

Guests: Lorraine Beamer, Bill Bittenbender

Ex Officio: Bob Fuchs, *Treasurer*, Margaret Bearden, *Clerk*

Opening Prayer. Fr. Eric opened the meeting via Zoom with a prayer.

Minutes. The June minutes had previously been approved via e-mail.

Treasurer's Report.

**Treasurer's Report to Vestry
August 18, 2020**

Operating Budget	2020 YTD Actual	2020 YTD Budget	2020 YTD Variance	2019 YTD Actual	YTD Ac- tual vs. 2019	2020 FY Budget
Revenues						
Pledges	318,223	324,352	-6,129	311,011	7,212	565,000
Flower Revenue	600	4,225	-3,625	3,800	-3,200	8,025
Identified Offerings	23,849	22,963	886	21,786	2,063	40,000
Loose Plate	2,367	6,030	-3,664	5,648	-3,281	10,504
Parish Hall Rental	350	385	-35	420	-70	660
Miscellaneous Receipts	2,309	10,000	-7,691	6,365	-4,056	15,000
Unbudgeted Revenue	0	0	0	0	0	0
Total Revenues	347,697	367,955	-20,258	349,029	-1,332	639,189

Expenses

Parish Staff	190,048	223,045	32,997	223,084	-33,036	403,124
Administration	18,329	18,830	501	18,032	297	34,118
Property	45,716	50,121	4,405	42,850	2,866	86,550
Vestry	36,296	45,798	9,502	41,252	-4,956	71,028
Faith Formation	435	3,825	3,390	1,137	-702	4,500
Outreach	3,750	4,500	750	6,649	-2,899	6,000
Parish Life	108	3,692	3,584	1,895	-1,787	6,950
Pastoral Care	368	1,742	1,374	896	-528	2,600
Worship	4,323	11,310	6,987	5,897	-1,574	18,834
Unbudgeted Expenses	0	0	0	0	0	0
Total Expenses	299,373	362,862	63,489	341,692	-42,319	633,704
Net Total	48,324	5,093	43,231	7,337	40,987	5,485

Loans	End of Month Balance	12/31/2019 Balance	Change
Mortgage Payable	163,574	174,417	-10,843

Through July, St. Philip's has received \$883,878 of the \$1,377,016 pledged during the capital campaign for the new parish hall. Capital campaign pledges will continue to be paid through 2022.

The 2019 audit was completed successfully. The letter stated, "...based on my review and testing as described above, the Church is in compliance with the Diocese Contract Audit procedures the Church Financial Reports for the year ended December 31, 2019 and the financial statements present fairly the financial condition of the Church." and "There were no matters which came to my attention during the audit requiring recommendations."

Respectfully submitted,
 Bob Fuchs
 Treasurer

Bob noted that revenues continue to be under budget by approximately \$20,000 and expenses by approximately \$63,000. Identified offerings have increased. The lack of budgeted income versus the lack of budgeted expense has resulted in a net positive of approximately \$48,000. Expenses have been positively affected by the unused allocation to an assistant priest position, which remains unfilled. Fr. Jeff Krantz's compensation for pastoral duties on Thursday and Fridays began last week and will be reflected in the August report. The audit was performed with a diocesan auditor for \$525 versus the \$7000 in the budget. A motion was made, seconded and passed to accept the auditor's report and to send on to the Diocese. A motion to receive the Treasurer's report was made, seconded and approved.

New Parish Hall/Administrative Building. Bill Bittenbender reviewed the entire history of plans to construct a new parish hall, dating back to the construction of the new sanctuary building in 2002. Plans began in earnest in 2015, with a pledge campaign that commenced in 2017. The initial mortgage on the new sanctuary was approximately \$670,000 and has now been reduced to approximately \$165,000, after an additional property purchase of \$225,000.

The Finance and Facilities Board made four recommendations for consideration by the Vestry: 1) retire the current mortgage, using cash reserves; 2) approve a new mortgage loan request not to exceed \$835,000 with United Bank (formerly CresCom); 3) approve a contract with Urban Construction for a firm fixed price of \$1,911,646 after approval by the Diocese; and 4) approve a revised package to send to the Standing Committee of the Diocese.

The proposed mortgage with United Bank is a ten-year balloon loan at a rate of 3.575%, with a twenty-year amortization. The monthly payment of \$4875 compares to the current outlay of \$3045 (\$2045 mortgage plus \$1000 rent for Nash Street office space) for a total net increase of \$1830 monthly. The proposed mortgage allows for extra payments of principal as well as recasting, which may reduce the monthly payment. At the end of the ten-year mortgage, remaining principal is projected to be approximately \$491,000. At that

point, a new mortgage will need to be financed. Total collections of pledge payments are estimated to total \$1,014,323 by the end of construction in June 2021. Pledges received after that date may be used to reduce principal or recast the mortgage, as decided by a future Vestry.

Four resolutions were presented to the Vestry (attached following minutes.) Motions were made, seconded and approved for all four resolutions. One abstention was noted for Resolution 2, regarding construction of the new building with an \$835,000 mortgage. Paul Miller “formally declined to vote for or against vestry resolutions to construct a new parish hall for the following reasons: Total revenues have not met 2020 YTD budget the past 4 months; shortfall of Capital Campaign Pledges YTD; priority to hire an Ass’t. Rector and meeting the new mortgage.”

Fr. Eric thanked all involved for the work that has been done with the building project, with special gratitude to Bill Bittenbender.

Strategies. Debbie Evans for Campus Use disclosed that an arbor at the entrance to the labyrinth is being planned as an Eagle Scout project by Ethan McLaughlin.

Deborah Jordan noted that reports for the Policies research would be available next month.

Holly Meiners and Harry Singley reported results of the parish survey sent out twice regarding In-Reach suggestions. Communication and education were major areas of discussion, with an emphasis of keeping parishioners involved and cared for. Bible studies, a book club, and group meetings via Zoom were suggested and will be explored.

Rector. Fr. Eric will be assigning each Vestry member a list of parishioners to contact monthly, in order to effect increased communication. In addition, Christian Formation education classes will be ramping up in September. The

Diocese is spear-heading a racial healing program, and a St. Philip's team will be established to lead this program in our parish.

Fr. Eric also reminded the Vestry that the office is still closed, and that appointments are necessary to meet with him. Fr. Jeff Krantz will also be available by appointment on Thursdays and Fridays.

Senior Warden. Bill Carney reported that a Fire Safety and Protection contract will be signed with Johnson Controls, replacing our current provider. This contract will include both the chapel/parish hall and the sanctuary. Johnson Controls provided a discount for both buildings, and the Finance and Facilities Board was able to designate funds from the current budget to include the sanctuary. Also he reported that the new chapel doors had been covered by hurricane insurance. He expressed thanks to Bill Tomz and David Forsyth for installation of the doors. Bill also noted that it was time to begin recruiting four new Vestry members. It was decided to post the prerequisites for serving on the Vestry in the weekly newsletter.

Junior Warden. Maitland Barnes expressed his appreciation to Dave Ham and Steve Russell for assuming the care of campus landscape maintenance.

Closing Prayer. After a prayer by Fr. Eric, a motion to adjourn was seconded and approved, and the meeting adjourned at 7:25 pm.

Respectfully submitted,

Margaret Bearden, *Clerk*