

Vestry Minutes July 15, 2018  
St. Mary's Episcopal Church

Attending: Reverend Susie Comer, Paul Wilborn, May Black Davis, Bunny Johnson, Sue Faulkner, David Harshaw, Robert Oliver, Linda Joseph, Mike Watson, John Cole, Gregg Westerfield

Members Absent: Bill Adams, Jan Sewall

Reverend Susie opened the meeting with Prayer at 11:20.

There were no further corrections to the Minutes from the June 15, 2018 meeting. Paul Wilborn moved to approve, David Harshaw seconded and the Vestry approved them.

We reviewed the Treasurer's report. Income remains low as usual for the summer months. Paul Wilborn moved to approve, Robert Oliver seconded and the Vestry approved it.

Committee Reports

John Cole presented the Finance Committee's recommended 5-year outlook. His handout is attached. The committee reviewed the parish buildings and major equipment and their lifetime extends beyond the 5-year horizon. However foundation work to stabilize the NE corner of the sanctuary is needed now, with follow up work to repair the exterior stonework and inside walls.

Control of operating expenses has been good. 80% are in 6 budget categories and have been stable year-year. Income increased in 2018 and we increased staff expense to support membership growth. 2/3 of our operating income comes from 1/3 of our pledges, and 80% of operating income comes from parishioners 60 or older.

The committee recommends increased focus on welcoming newcomers and integrating them into our parish life.

While our operating expenses have been in line with our income at year end, income typically falls below expenses during the year. The committee recommends a cash reserve of one quarter's expenses, currently \$35K, and a quiet appeal to members for donations in addition to their normal pledge or gift to build this reserve by year end.

Mike Hail, who did the foundation work to correct the other corners of the sanctuary, estimates the cost for the NE corner foundation work to be \$65K and could start within 6-8 weeks. Paul Wilborn is able to supervise the work for the parish.

Mimi and John Cole will donate \$70K for this foundation work.

Mike Watson moved to accept the Cole's gift, to authorize Paul Wilborn to supervise the NE corner foundation work for the parish, and to commence work as soon as possible using Mike Hail as prime contractor. Robert Oliver seconded and the Vestry approved with many, many thanks to the Coles.

Robert Oliver moved to establish a cash reserve target of \$35K and to authorize John Cole to solicit individual donations to create it. Linda Joseph seconded and the vestry approved.

John's report and the Vestry's actions conclude the Committee's task for a 5-year outlook.

Mike Watson provided copies of the Finance Committee's recommended update to parish Operating Policies, and will email a PDF file to all vestry members. It provides for a cash Operating Reserve and management of funds designated to specific purposes. This recommendation addresses the Finance Committee's remaining 3 tasks. The committee asks the Vestry to review in detail and suggests a Vestry working session in August to explain more fully and answer any questions.

### Old Business

none

### New Business

Rev. Susie announced that the Presbyterian church will decide soon whether to undertake major renovations this fall. She will offer our facilities for their use and report back to the Vestry and need we can help support.

Rev. Susie handed out a working calendar for this fall (attached). Jane McMillan's talk will be in the evening on Aug 15. Stewardship campaign for 2019 pledges will run from Sep 9 through Oct 14. Vestry elections will be October 14, and we will ask for new vestry members in September. ECW plans to move the taco soup event from November to September, and their bake sale will be in December as usual.

Bishop Harrison suggested Holy Currencies, a training course on understanding gifts of Time, Talent and Treasure in the parish. Susie plans to explore this and asked for a layperson to join her. Linda Joseph will.

Responding to our need for newcomers, Rev. Susie will offer the Invite, Welcome, Connect program for all parishioners at Adult Formation hour on four Sundays beginning October 21. The program includes 4 videos and is a practical approach for connecting people to our parish life.

### Junior Warden's Report

Nothing significant to report.

### Senior Warden's Report

Paul spoke with the mason Ron Ishy and agreed to hold off on looking at the sanctuary stonework until the NE corner foundation work is complete.

Paul will meet the exterminator on Monday, July 16 for our quarterly treatment.

Paul will appoint the audit committee and commence their work.

Priest's Report

Rev. Susie asked the Vestry to approve a \$30/meeting fee for Kiwanis Club use of the parish hall for under 2 hours once/month. This is half the \$60 fee for 4 hours in our Operating Policy. Paul Wilborn moved to support Rev. Susie's request, Linda Joseph seconded and the Vestry approved.

The initial term for our organist Juan Munoz extends through the summer and he is willing to continue. Cost would be within budget and Rev. Susie will extend our agreement with him through to the end of the year. Rev. Susie assured the Vestry that Juan will have the weekly music selections well enough in advance to practice before the services. Richard Hammett has been working with Juan on our traditional hymn introduction and timing.

Rev. Susie has a plan to use the parish hall for services if needed during the NE corner construction.

Rev. Susie closed the meeting with prayer at 12:30.

## BUDGET CONSIDERATIONS

### Listing of Priorities – July 12, 2018

#### Repair to church foundation NE corner

- Estimated cost \$70,000.
- Propose using same contractor that repaired the SE corner, Mike Hail

#### Repair masonry on both NE and SE corners

- As many of you have noticed there are masonry cracks on the walls located near the corners. These will be looked at after completion of the corners and the building has had time to settle. Time will be required to determine whether the problem is structural or just visual appearance.

#### Determine cause of grout flaking on west wall above the handicap ramp

- This needs to be reviewed to determine how to fix it. There have been many ideas set forth regarding the cause and what action should be taken, but none of them have been tested.

Building roofs, heating and air conditioning systems and other mechanical devices have been checked and appear to be in good condition for at least another five years.

Set aside a three-month cash reserve to smooth out pledge payments and monthly expenditures, approximately \$35,000. Will need a fund-raising campaign to provide these funds. It should be a short time frame project and not be heavy handed so as to take away from the annual pledges. This three-month cash reserve should be maintained for several years so our financial order can be re-established.

The majority of our expenditures are in six categories: Clergy, Diocesan, Insurance, Utilities, Grounds and Custodian. These have changed little in the last four years and they would not be expected to change significantly in the next five years.

Hiring additional personnel such as Choir Director, Organist or Office Staff will result in increased expenses, but these items should support our quest and need for congregational growth. Overall the expenditures appear to be under control. Revenues will need to be adjusted to meet inflation and maintain proper growth ratios.

A concerted effort needs to be initiated to bring in new members, particularly recent retirees who have moved to the area and young individuals with children.

A review of giving, based on 2018 pledges, indicates we have received 36 pledge units totaling \$120,206. In addition over the last four years, 2014-2017, we have received on average \$23,028. per year in plate or loose offerings as well as contributions from non-members and former members. Using these two figures:

2018 Pledges	\$120,206.
Average Plate Offerings	<u>23,028.</u>
Estimate	\$143,234.

Year	2018 Budget	2017	2016	2015	2014
Operating Exp.	\$145,209.	\$134,356.	\$126,949.	\$125,091.	\$128,380.
YOY %	10%	6%	1%	-3%	
 Total pledges and plate	 \$146,747.	 \$132,722.	 \$127,047.	 \$121,987.	 \$119,934.
YOY%	11%	4%	4%	2%	

Based on 2018 pledge units, including plate offerings:

Top 6 pledges	37.8% of est. expenses
Top 12 pledges	57.1% of est. expenses

**2014-17 Average Annual Contribution  
by 2017 donor age**

