

St. Anne's Parish
Vestry Meeting Minutes
Tuesday, May 8, 2018

Clergy and Vestry Members Present

Rev. Tim Mulder
Linda Adamson
Monica Barry
Patrick Carlson
Carrie Dana-Evans
Ginger DeLuca
Josiah Dykstra
Mark Grimes
Katherine Hilton
Jason Houser
Cary Lukens
Bill Malicki
Doug McNitt
Cardie Templeton
Tripp Trippitelli

Vestry and Executive Officers Not Present

David Huggins

Non-Vestry and Others Present

Thea Chimento, Clerk
Steve Fisher, Treasurer
Eric Salzer, Vanguard
Matt Lang, Vanguard

- *Opening/ Welcoming of Guests*

Josiah opened the meeting at 19:02. Tim led the meeting in prayer.

- *Vanguard Report*

Steve noted that as defined by policy, the Investment Committee makes a report to Vestry. We have invited Vanguard to explain the position of the endowment and the outlook for 2018.

Eric Salzer reported on the year's activity over the past year, which was a very strong; since 2017, there has been more volatility in the markets. St. Anne's endowment has been allocated in a mix of stocks and bonds (65% in stocks, 35% in bonds). The allocation remains the same, unless the parish requests a change (for example if the the parish goals change).

The goals are to keep costs low by using index funds and low-cost investments, and take advantage of what the markets have to offer without exposing the portfolio. Balanced portfolio tends to do consistently well over a period of years. 2017 was an especially strong year, with 2018 experiencing some volatility based on the possibility of inflation and expectations over actions from the Federal Reserve. Additionally, we are expecting more protectionist-style trade policies. However, economies across the globe continue to do well. Vanguard has a “guarded outlook” for equities and fixed-income investments; i.e. lower returns than have been occurring historically and higher risks.

Questions:

How does the outlook affect our cash balance? Our portfolio is entirely in stocks and bonds by design, however, as interest rates rise, the cash holdings that St. Anne's does have will improve.

If there was a depression, would the income at St. Anne's suffer? We don't touch the principal, but we do take regular distributions from the interest of endowment—approximately 4.5% per year. In the case of a depression, we might consider increasing our distribution from the interest to meet General Fund needs.

Is it possible to practice socially responsible investing? Yes, it has been discussed; there is exposure to portions of the market that some folks may find objectionable (as index funds track the market as a whole), but the exposure is limited and not overweighted in the portfolio.

➤ *Interim Rector's Report*

Tim distributed his report prior to the meeting. There were no questions.

➤ *Search Committee*

Josiah noted that the Vestry needs to approve the Search Committee and the Charge.

Cardie Templeton moved that the Vestry nominate the Search Committee as presented prior to the meeting; Bill Malicki seconded, and the motion carried by voice.

Josiah explained that the Executive Committee has developed a Charge to the Search Committee which they are seeking input on. There was some discussion in the EC about the end date for the Search Committee, as September 30 seems rather soon.

Discussion centered around the following points:

- Is the timeline sufficiently flexible? We want to avoid a situation where the Search Committee picks less than ideal candidates in order to meet a deadline.
- Should we consider giving the Search Committee the flexibility to shut down early if three candidates are found earlier than the deadline? Or should the Search Committee wait until a predetermined time (determined by the advertisement dates) to “collect” all available candidates, with the risk that some candidates who were available earlier in the process are no longer available? It was noted that for the last search, there were over 200 candidates; St. Anne's is a desirable church and not likely to lack for qualified candidates.
- How much should the Search Committee depend on the work of the Profile Committee, i.e. should the Search Committee begin seeking candidates before the profile is complete? The Profile Committee's work is essential, and we can't adequately search for candidates before we know and understand the parish profile.

Mark Grimes suggested amending the Charge to “The Search Committee shall forward to the Vestry ideally the names of three candidates” and change the time to November 1.

Josiah moved that the Vestry approve the Charge to the Committee as amended. Linda seconded, and the motion carried by voice.

➤ *Paula Waite*

Paula will be ordained on June 9, at which point she will leave St. Anne's. It is customary for the sending church to give a gift; we suggest a communion set. Sandi Criscimagna has also suggested that we collect a purse.

Cardie moved that the Vestry approve \$892 for a gift towards Paula Waite's ordination. Linda Adamson seconded, and the motion carried by voice.

➤ *Treasurer's Report*

Steve distributed the report prior to the meeting.

Church

- April was a good month and we are on the plus side for YTD pledges vs. budget for the first time. April YTD Pledge is \$51,909 which is \$21,411 favorable to budget, with all the usual caveats about the budget, tax law, etc.
- Total Giving is \$19,665 favorable YTD, or essentially on budget
- Revenues \$211,916 favorable to budget YTD
- For expenses, we have set outreach budget = actual for YTD so none of the variance is attributable to outreach
- Total YTD expenses are favorable \$31K - none of the variances are significant so it should be viewed as being on budget.
- Net Income favorable to budget \$53K YTD.

PASA

- \$12K Favorable to budget through April (month 9 of fiscal year)

Cemetery

- Weak April leaves YTD net income \$(5,628) unfavorable to budget

Endowment

- Endowment was a slightly positive month after two down months (gain of \$8000). YTD investment income is \$(19,572)

Other

- Received check from AT&T for 5 months of rent; security deposit not yet paid.
- Got a letter from the estate of Emily Peake; bequest from \$50,000 for the cemetery perpetual care fund, plus a residual of approximately \$94,000.

➤ *Cell Site*

The Vestry went to executive session from 20:29 – 20:57.

➤ *Facilities Report and Requests*

Cardie distributed a report prior to the meeting.

The roof has more water damage than expected, and therefore cannot be coated. As a result, the roof over the Parish Hall will need to be replaced at an additional cost of \$17,000. The Facilities Committee is seeking additional quotes (they have one currently). Additionally, we are adding an extra \$2,000 as contingency.

Mark Grimes moved that the Vestry approve an amount not to exceed \$14,500 from the Capital Fund towards the roof replacement. Cary Lukens seconded, and the motion carried by voice.

Cardie explained that ultimately three roofs will be coated, and one roof replaced.

Cardie noted that the door quote approved last month was incorrect; we need an additional \$600 for a total cost of \$16,800. We will take this from the Facilities Committee budget and it does not require Vestry approval.

Parish Hall windows: one is cracked and we have some rot. Cost to repair is \$960 from Facilities Committee budget.

PASA playground fence and mulch replacement: It will cost \$5080 to replace the fence. We also need to remove 30 cubic yards of mulch and put 16 cubic yards back in. A 5% contingency makes a total of \$9,051.

A question was asked as to whether PASA could pay for the mulch—the PTO might be happy to support the repairs.

Josiah moved to approve \$9,051 from the PTO Fund pending a conversation with the PTO, or alternately from the Capital Fund to replace the fence and mulch in the PASA Playground. Cary seconded, and the motion carried by voice.

Shutters on Parish Hall need to be rehung. Additionally there is some rot which needs to be taken care of.

Mark Grimes moved to allow the Facilities Committee to spend an additional \$5,600 with American Capital to deal with shutters and molding on Old Rectory. Carrie Dana-Evans seconded, and the motion carried by voice.

Cardie noted that there will be more requests next month.

Question: What is the current state of the Capital Fund? We have a balance somewhere around \$350,000. Steve noted there are 4 funds to support the building: the Capital Fund, the Property Reserve (fed by Sprint lease money); Z Brown fund in the endowment (\$80,000); and another fund in the endowment (smaller). Total is approximately \$400 – 500k. We are doing okay, but are not flush with cash.

Question: What Capital Fund expenditures are coming up? Cardie noted that there is a spreadsheet which has the repairs and calculates the net present value to repair. Mark noted that we need to keep track of Capital Fund spending so we're not depleting reserves.

➤ *Announcements/Approval of Minutes/Open Floor*

Cardie moved to waive the reading of the April minutes and approve them as submitted; Katherine seconded, and the motion carried by voice.

➤ *Closing*

Cardie led the vestry in prayer, and the meeting adjourned at 21:37.

Respectfully submitted,
Thea Chimento