

St. Anne's Parish
Vestry Meeting Minutes
Tuesday, January 14, 2020

Clergy and Vestry Members Present

Rev. Manoj Zacharia
Linda Adamson
Patrick Carlson
Al Collins
Betty Creighton
Carrie Dana-Evans
Mark Grimes
Katherine Hilton
Jason Houser
David Huggins
Sharon McElfish
Sarah Morse
Cardie Templeton

Vestry Members Not-Present

Ginger DeLuca
Susan Thaxton
Tripp Trippitelli

Welcome and Opening Prayer

Mark opened the meeting at 7:10 p.m. and welcomed Scott Gregory, Treasurer of Outreach Committee. Manoj+ led the group in prayer.

Rector's Report

Because this month's meetings have been devoted to budget preparation, Manoj+ did not prepare a written report. However, his highlights included the new 90-day prayer service inviting people with the state Government or Legislature to seek respite and prayer at St. Anne's during the session; and the Episcopal Experience classes on Saturday, which cover the fundamentals of Christian faith and Episcopal beliefs and practices. He thanked the outgoing Vestry members – Patrick Carlson, Ginger DeLuca, Cardie Templeton and Tripp Trippitelli – for their service, noting in particular that Cardie had served for 6 years as Junior Warden. Mark joined Manoj+ in his thanks to these Vestry members. He also noted that Susan is traveling but will present the Treasurer's Report and 2020 budget via phone.

Facilities Committee/Junior Warden's Report

Cardie presented her final report as Junior Warden, which included two action items.

PASA would like to apply for a MD State Department of Education FY 2020 Nonpublic Aging Schools Program grant to improve security. The current system dates from 2008 and no longer provides the clearest and best images. Additional equipment would allow additional cameras and improve overall security. The process now is at the first step, which is to determine if PASA meets the grant qualifications. If it does, PASA would then apply for a \$5,000 to \$15,000 grant to accomplish the above. Should PASA receive a grant, St. Anne's would be required to pay about \$1,500, which represents 50 percent of the cost of an NDVR (networked digital

video recorder) that would be shared with PASA but is not covered by the grant. Carrie moved that Vestry direct the Junior Warden to sign the PASA Phase One application for the MD State Dept of Education FY 2020 Nonpublic Aging Schools Program. It was seconded by Al and passed with a voice vote.

The next steps in the grant process are for PASA head Amy Hoffman, IT Committee member John Purnell and Facilities Committee Chair Bill Wilbert to submit paperwork for the first phase of the process. Looking ahead, if the application is approved, Amy and John will develop the Step Two application, which would include price quotes and present it to the Executive Committee. If the quotes warrant Vestry approval it will come back to Vestry.

Jason asked about any privacy issues presented by security videos. Mark noted that the grant isn't for security cameras specifically but for general security upgrades.

The second Facilities item is the repairs and improvements to Parish Hall sound system. Jason is heading this project and is working with PASA to assess their auditorium sound needs. An upgrade would replace a system in place since the 1990s and patch-repaired over the years. Jason reviewed several proposals but recommends Spire (the company that recently upgraded the church's sound system), which could do the work for \$23,911.81. Mark stated that he had spoken with Amy Hoffman and PASA agreed to split the cost of replacing the system with the church with funds from PASA PTO funds. Jason noted that using Spire for this project as well as the church sound system allows more economical use of training time. Linda moved that St. Anne's contract with Spire AVL to install a sound system in the Parish Hall per the proposal attached for \$23,911.81 and that Vestry allocate up to \$26,300 split between the Capital Account and the PASA PTO fund in case there are minor unforeseen expenses. Sarah seconded the motion and it passed with a voice vote.

Cardie noted that one of the Dutch Elm trees on the church grounds has succumbed to Dutch Elm disease and is now dead. Because much of it overhangs Church Circle and could represent a safety hazard to the public, the tree will have to be removed. Mark asked if the other Dutch Elms on the church grounds are being treated and Cardie confirmed that they had. Discussion followed regarding using Bartlett Tree Service as the vendor for this project since they have a tree-maintenance contract with St. Anne's.

Stewardship Campaign Update

David reported that 67 pledges had come in since the last meeting representing about \$140,000. In December, the church also received two gifts totaling around \$53,000 that helped close the deficit number. At this time the campaign is at 97 percent of the goal. David also expects around \$10,000 more to come in. The average pledge has gone up even though the number of pledges is down by 10 percent. Quite a few people increased their pledge by 10 or 20 percent. Discussion followed on past campaigns, pledging trends, what has succeeded and what has not worked. Mark thanked Dave and Stewardship Committee for their hard work. Sarah asked about following up on expanding the email list for an email pledge reminder. Mark noted that it had been done and the target group size had doubled and included people who attend church but may not have pledged in the past.

Treasurer's Report for 2019

Susan called in and reported by phone. Highlights include:

Estimated surplus for the Church of \$78,831.

Revenue was under budget – giving was \$32,000 under budget.

Expenses were \$100,000 under budget due to:

Compensation and Benefits being \$32,000 under budget – short one staff member for half year.

Administrative expenses over by \$7,300.

Buildings and Grounds over by almost \$12,000

Education and Ministry expenses \$45,000 under budget – partly due to the transition year.

The Cemetery finished the year in the black.

PASA has a \$40,000 surplus through their academic year that began Aug 1.

The Endowment had a strong finish with its value increasing by more than 14 percent since Jan. 1, 2019.

December giving was slightly short of the goal but helped make a strong finish to the year.

Mark noted that we had budgeted for a \$45,000 surplus in order to fund the 2020 Outreach Ministry. The \$78,000 surplus allows us to fully fund the 2020 Outreach requests.

Linda asked about the surplus in the Cemetery budget. Mark stated that it will be placed in the Capital Fund as approved by Vestry in December 2019. Linda asked if those funds could revert to the Cemetery for a future project and Mark confirmed that it could with Vestry approval. Al asked about accessing funds for the Reconciliation ministry's work. Mark noted that those funds have been placed in a restricted fund for Reconciliation use. Requests for the funding from that fund will go through Vestry.

Scott Gregory, treasurer for the Outreach Committee, asked for some clarification about the \$45,000 earmarked for Outreach Ministry work. Mark gave some recent history about the funding process for the Outreach Ministry. In 2018, the process was modified to ensure that the funds existed before they were committed in the Outreach grant process. The Vestry budgeted for a \$45,000 surplus in 2019, which when realized, would be used to fund the Outreach Ministry in 2020. Further discussion on the process followed.

2020 Budget Review, Discussion and Approval

Mark provided an overview of the proposed 2020 budget and the process followed by the Executive Committee to prepare it. He reminded Vestry that one of its primary functions is to approve the spending of church funds and that this is done by approving budgets and passing spending resolutions. He noted that there are several parts to the budget – the church, cemetery, PASA, the outreach general fund, and some program-specific restricted funds – and that Vestry has traditionally approved a balanced budget.

Mark noted there are four separate budgets to approve but that they do not include capital expenditures, which come to Vestry on a case by case basis and are usually long-lived, big-ticket items. To create the budget, Susan requested proposed program budgets from all staff and ministries areas that were then reviewed by Executive Committee to validate the proposed numbers. Finally, Mark noted that the St. Anne's budget should reflect our priorities.

Susan noted that based on initial requests the budget had a deficit of \$30,000. She then asked staff and ministry leaders to revise their budgets, which they did, which allowed a break-even budget that reflects no change to income and an increase in expenses of only 6 percent. Pledging represents 67 percent of income and the endowment is 19 percent. In 2019, pledge giving increased 3 percent but other giving was down 5 percent. Investment income consistent with previous years.

Discussion followed on various aspects of the proposed budget numbers, what the church currently funds, where it could improve funding, options and staffing. Vestry members offered opinions and suggestions for the current and future budgets.

In order to discuss the salary and compensation elements of the proposed 2020 budget, Mark called an Executive Session at 8:39 p.m. The public session resumed at 8:52 p.m.

Cardie moved that the 2020 budget be approved as presented and to include \$10,000 for a Communications budget line to be funded from the Capital Fund. Carrie seconded and the 2020 St. Anne's budget was approved by voice vote.

Outreach Budget

Mark noted that, at the end of 2018, the Outreach Budget included \$35,000 plus \$10,000 from the Capital Fund. This \$10,000 was earmarked for outreach work to be done by Rev. Jess Sexton. The 2020 Outreach budget is \$40,000. Scott Gregory asked for some clarification on the budget and provided some history on the committee's understanding of the funds and their availability. Discussion followed on the reasons for the creation of the Outreach Committee and its guidelines. Mark reaffirmed the Vestry's commitment to Outreach and noted that it has always been in the church's annual budget, even in lean years. Jason noted that before the gap year, grants were awarded and funded before funds had been received. The gap year has remedied that problem. Mark agreed, noting that Vestry can fund outreach grants even when there is not a surplus in a given year. Carrie moved to approve the outreach budget as presented. Cardie seconded the motion and it passed with a voice vote.

Mark asked Scott to discuss the restricted fund outreach requests. He gave a history of the funds and how they are structured. Scott shared the Outreach Committee's proposed grant calendar and noted that the report on actual proposed grants will come to Vestry in May. Cardie moved to approve the restricted fund outreach requests as presented. Jason seconded the motion and it passed with a voice vote.

Cemetery Budget

Mark noted that the 5 percent distribution from the Perpetual Care Fund last year was reduced to the traditional 4.5 percent in this budget and that the Lay Pension transfers fund is a restricted fund that helps cover some of the cemetery-related lay worker pensions. Not reflected in the budget is the bequest from the estate of Emily Peake; it will be used to fund capital expenditures, which are (as usual) not included in the budget process. Betty moved to approve the Cemetery budget as presented. Jason seconded the motion and it passed with a voice vote.

Mark thanked Susan for her hard work preparing the 2020 budget and for the detailed report on 2019.

Approval of December Minutes

Cardie moved that the reading of the December minutes be waived and that they be approved as submitted. Al seconded the motion and it passed with a voice vote.

Cardie led the group in Compline to close the meeting.

The meeting adjourned at 9:40 p.m.

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Respectfully submitted,

Katherine Hilton

Registrar of the Vestry