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VESTRY MEETING MINUTES **Monday, January 21, 2020**

Vestry Present: Amanda Fratrik, Treat Harvey, Marjorie Miller, Pamela Njai, Dan Pearson, David Shumate, Freda Tucker, Bynum Walter, Glenn Walters, Callie Woods, Chapman Williams

Vestry Absent: Kelly Ryan

Clergy Present: the Rev. Jonah Kendall, the Rev. Sally French

Guests Present: John Yeatts, Charlie Steel

Call to Order The regular monthly meeting of the vestry of St. Philip's Church convened on January 21, 2020 at 6:00 pm in the St. Philip's library, the Rector being in the chair and the Clerk being present. Jonah Kendall opened the meeting with a prayer.

Reading The rector led a discussion about the Stewardship Meditation S27: pages 61-62, *Responding to God's Blessing*. We reflected that on the reading. Treat Harvey suggesting having offertory cards available at the annual meeting when we present the stewardship report. David Shumate characterized stewardship as a part of worship.

Minutes (see Dropbox)

We reviewed the minutes of the vestry retreat on November 2, 2019. It was noted that John Yeatts was not present. Dan Pearson made a motion to approve the minutes with this change. Sally seconded the motion; it was approved nem. con.

We also reviewed the minutes of the regular vestry meeting on December 16, 2019. Treat Harvey made a motion to approve the minutes of the regular vestry meeting on December 16, 2019. David Shumate seconded the motion; it was approved nem. con.

Treasurer's Report (see Dropbox)

John Yeatts began by presenting a report of 2019 finances.

- He noted that we finished the year slightly over budget with a modest deficit of \$5,787. He talked about the drivers to the deficit and acknowledged that we experienced a higher cost of doing business. He said we are managing the deficit.
- On the expenses side, we ended 2019 at \$12,500 over budget, John Yeatts said there was a modest personnel line that was over budget. But the education/worship/outreach line items wrapped up under budget. Sally said she made somewhat of a conscious effort to save because she knew other expenses were increased.
- The first half of the Harris gift was received and invested just before the new year.
- John Yeatts reported that our total cash on hand is just over \$400,000.
- We paid off the mortgage balance on December 31, 2019. This has significant impact on our financial picture.
- Charlie Steel shared that they are sorting out why there was a pledge payment shortfall.
- But, notably, we had a great pledge payment month in December, bringing in \$88,000 in pledge payments.
- Also, we budgeted \$25,000 in regular collections and actually received \$50,000.
- We acknowledged that a large portion of the pledge payment losses stem from people's either passing away or experiencing financial hardships.
- It was suggested that we could start reaching out to people who begin attending St. Philip's toward the end of the year if they did not participate in the fall pledge campaign.
- Callie Woods asked whether there is a way to count whether people paying at end of the year are pledgers or not, and to ask those who are not yet pledgers to make a pledge. Charlie Steel confirmed that we do have this information. He said there are some people who give but do not pledge.
- Pamela Njai recommended that we look at whether youth are pledging. Jonah agreed that such analysis would be good. Sally brought up the importance of maintaining confidentiality.
- We have received roughly half of the total Jacqueline Harris financial gift.

Bynum Walter made a motion to approve the treasurer's report for 2019. Dan Pearson seconded the motion; it was approved nem. con.

Old Business

Stewardship Update

- Treat Harvey presented the Stewardship report, noting that a greater number of pledges increased than decreased. She reflected that this bodes well and creates a

solid foundation for year-round stewardship. She said it would be helpful to identify the people who have come in for first time.

- Treat Harvey suggested providing information that clarifies the difference between parishioners' current (year-end) pledge obligation and their next year's pledge amount so people are not confused.
- Significantly, we started our 2019 stewardship campaign at both a \$37,000 and a 15-person (pledger) deficit. So, we closed that gap well.
- Jonah said it would be nice to see if on upward trend again next year. Where are our vulnerabilities?
- Building volume and fostering connection for as many people at St. Philip's as possible is important to make up the gap.
- Bynum Walter reflected that we have seen a modest increase in pledges over the last two years. This indicates that we are managing a transition in our demographics well. She noted a good transition distributed across our giving units. It is challenging, but the fact that we are managing as congregation to cope with it is heartening.
- Dan Pearson said this happens every year. It would be interesting to see if we're out of line any year.
- Jonah said we are seeing a trend of a larger number of smaller gifts.
- Treat Harvey reflected that we are moving from a generation whose major giving was to the church to a generation that additionally gives to nonprofits and other organizations. Do we need to debunk some myths? It would be worth delving into these areas of analysis. Should we consider a two to three-year longitudinal study? Treat Harvey said that David Shumate has performed such a study. But we need to sit down and analyze what people are giving what.
- Sally – what's motivating people? Maybe Harris gift dissuaded or response to ask made people increase their pledges.
- Freda – possible to reach out to ministry heads? Great idea!
- Stewardship will be discussed at the vestry retreat.

2020 Budget Update (see Dropbox)

- John Yeatts said the 2020 budget is a good budget--aspirational but cautious. This year's budget of \$1.1million is bigger than last year's budget and is a milestone. It will enable us to meet some needs that we have not been able to address in past years given budget constraints.
- Nonpayment rate of pledges was calculated at a conservative 3.5% for the budget. Regular contributions were maintained at the same level as last year.
- There was an increase in the endowment distribution over last four quarters that preceded the Harris gift.
- There were assumptions made around administrative costs, utilities, and other expenses that reflect the rising costs observed in 2019.

- Part of the reason the budget balances is our having paid off the mortgage (free up \$41,000 annually).
- Using assumptions about pledge revenue, other income, and expenses (detailed in the Treasurer's letter in Dropbox), the 2020 budget balanced before consideration of aspirational items like music, personnel and outreach. John Yeatts proposes funding these new initiatives, including \$77,000 approved by the vestry for communications position, from the additional endowment distribution anticipated from the Harris gift in 2020. They applied the same distribution rate to the Harris gift as that for the endowment.
- This budget includes raising Jonah's salary in line with the recommendations provided by the personnel committee in 2019. The budget also includes a small raise for Janice, in recognition of her long and good service.
- Given the distribution from the Harris gift that came in, we were able to use part of that instead of the IRA.
- Freda Tucker asked if this is sustainable. Charlie Steel answered yes because it is funded out of the endowment. Our hope is to increase our pledge income to sustain our budget. The current plan is to continue rolling the distribution back into the endowment.
- Bynum Walter affirmed that using income from the first part of the Harris gift to stretch to cover the communications position will pay off.
- Charlie Steel concurred, saying we are investing in people. We hope to grow our stewardship to meet our budget in the future.
- We are increasing the amount of our budget related to outreach. Maybe in 2020 the vestry will have regular check-ins with outreach ministries to assess their spending and monitor whether they are spending enough.
- In anticipation of our operational fund growth, we need to plan for an increased amount of Diocesan Giving.
- Callie Woods questioned a .5% increase in outreach spending when we have a surplus. Bynum Walter said that our dollar on dollar increase will be a significant increase given that our spending will increase by .5% of a greater amount. She said that if we don't have a plan to spend the outreach money, then we don't want to end up with money allotted but not used. Growing outreach ultimately to 10% could come in the context of discerning how to use the additional part of the Harris gift.
- Glenn Walters suggested there are two ways to use money: either do programs ourselves as members of the community (which takes time and planning) or give money to organizations. It takes time to reach an aspirational 10% in outreach spending.
- Sally reflected that the Harris money is changing us already.
- Amanda Fratrick pointed out that we need to do a better job figuring out the process for determining the use of Harris money. She asked where is the place and time for parishioners to come forward to present their ideas for using the money.

- Jonah commented that many people in and beyond the congregation have ideas for the use of the Harris gift.
- Amanda said she thinks the congregation will be disappointed with the level of outreach in the budget. It is important to communicate that we are excited about the gift and about discerning how to use it.
- Bynum Walter suggested that a good message would be that we have an incremental increase this year. Further, there will be opportunity for parishioner input coming up. Two adult education forums are being planned.
- Jonah said that in communicating this, we should acknowledge the multiple needs of outreach, church infrastructure, etc.
- Treat Harvey noted the 1.6 percent increase in stewardship this year over last year. We have to be able to support ourselves.
- David Shumate said we need to create a structure and a process for discerning how to use the Harris gift.
- It was noted that the diocesan giving percent has decreased.
- In summary, John Yeatts said he considers the budget a good one. It makes moves but does not make future moves impossible. He believes we are doing well in walking a line between budgeting only on pledges and using the Harris gift.
- David Shumate made a motion to approve the 2020 budget. Dan Pearson seconded the motion.
- Amanda Fratrick was interested in hearing an explanation of how much budget based on pledges and how much on Harris gift.
- The motion to approve the budget passed nem. con.

New Business

Annual Meeting

Jonah announced that the vestry will meet in the library at 9:30am on Sunday, Jan 26 preceding the annual meeting. Charlie Steel will preside over the ballot for the election of new vestry members.

Junior Warden's Report (see Dropbox)

Dan Pearson described some projects include replacing carpet in the parish hall and the first floor of the parish house. They are looking at carpet squares. New carpet for the parish hall would cost about \$10,000 and about \$11,400 for the parish house.

He emphasized that the outside walls on the church really need attention. This is a big ticket item. In 2014, we received a quote of about \$500,000 to do exterior walls. This probably included refurbishment of the stained glass windows. The roof will cost an additional \$250,000. The interior walls need work too. The whole project will cost about

one million dollars.

Rector's Report (see Dropbox)

Jonah presented the following:

- Attendance during Christmas and New Years were better this year than last year.
- A special meeting to elect the 2020 executive committee will be held on February 2.
- The vestry retreat will be held February 28 and 29.
- There is a strong potential candidate for the communications position from Texas. She has been invited to be with us February 7 and 8.
- The communications committee has conducted several zoom interviews. They have been so impressed with Mary that they would probably want to continue receiving applications if it does not work out with her. She has a great reputation in the diocesan communications world, Episcopal church experience, copy editing skills and more.

Pastoral Concerns

Jonah and Sally shared pastoral concerns.

Sally announced the next Newcomers Welcome Event would take place on March 1.

Dismissal and Adjournment Sally closed with a prayer. The meeting was adjourned at 7:52 p.m.

Respectfully submitted,
Marjorie Miller, Clerk