

St. Anne's Parish
Vestry Meeting Minutes
Tuesday, December 11, 2018

Clergy and Vestry Members Present

Rev. Tim Mulder
Linda Adamson
Patrick Carlson
Carrie Dana-Evans
Ginger DeLuca
Josiah Dykstra
Mark Grimes
Katherine Hilton
Jason Houser
David Huggins
Bill Malicki
Cardie Templeton
Tripp Trippitelli

Vestry and Executive Officers Not Present

Monica Barry
Steve Fisher, Treasurer
Cary Lukens
Doug McNitt

Non-Vestry and Others Present

Amy Hoffman, PASA

➤ *Opening Prayer*

Tim opened the meeting with a prayer at 7:05 p.m.

➤ *Welcome of Guests*

Josiah welcomed PASA director Amy Hoffman to the meeting. He noted that this is his final Vestry meeting as he will be away for the January meeting. Prior to tonight's meeting he distributed a list of Vestry accomplishments for the year.

➤ *PASA Budget*

Amy Hoffman distributed PASA proposed budget information. Notable are PASA having its highest ever enrollment numbers and that the new five-day program was filled. An emerging trend is that families with two working parents want more care time. The proposed budget reflects a 9-10% increase, in part due to the once-optional snacks being offered to all. In comparison with other local pre-schools, PASA's tuition price falls in the mid-range. The budget numbers reflect 122 students enrolled, fewer than last year but adding more children in the five-day program. Amy also noted the lower proposed number is due to nearby St. Mary's School possibly opening a pre-kindergarten class next year, which could have a big impact on PASA as it now includes younger St. Mary's siblings in its enrollment. The planned annual transfer to St. Anne's is \$81,600.

Mark asked how the nearby location of St. Mary's school would impact PASA. Discussion followed on possible scenarios for how a new program might roll out.

Tim asked how the inclusion of Kirsten into the operation of PASA was working and Amy noted that she is wonderful to work with, very helpful with the PASA families and is always able to find answers to questions.

Cardie asked Amy for some clarification of what falls under the heading classroom expenses. Amy noted that the number includes both durable items and consumable items and has grown over the years since PASA now

has a new classroom that required tables, chairs, desks, paper towels and art supplies. Preparing for new classroom and five-day services for three-year-olds also means additional expenses of this type.

Cardie moved that Vestry approve a 2% increase in all PASA tuition levels for 2019-2020. It was seconded by Mark and passed with a voice vote.

➤ *PASA Salary Executive Session*

The Vestry went into Executive Session to discuss PASA compensation.

After completion of the PASA session, Amy Hoffman departed and the Executive Session extended into a discussion of Vestry Officers for 2019.

Executive session concluded at 8:25 p.m. and the public meeting resumed.

➤ *Interim Rector's Report*

Tim distributed his report in advance of the meeting. He shared his appreciation for the hard work of the Search Committee and its presentation at the Parish Potluck. In looking at stewardship, Tim urged the Vestry to use this time to get membership rolls as updated and correct as possible and to find the reality of this year's campaign by making sure people fulfill pledges and contacting all homes that didn't pledge. The Realm system will help with this effort. Discussion followed on attendance and giving. Tim noted that those who haven't yet fulfilled a pledge for 2018 should receive a message letting them know that, for payments to be counted in 2018, they must be received by December 31.

Last Sunday's "pulpit swap" with Rev. Randy Callender (from St. Philip's) preaching at St. Anne's opens a window of opportunity for both churches to work together to get to know one another better. Ginger noted that the Cemetery Committee had asked St. Philip's for any information on their parishioners who were interred in St. Anne's Cemetery.

Tim noted that the Sunday evening service has been re-tooled since the death of Erik Apland last spring. The focus is still on the music and using many styles of music (like jazz and classical) to attract new people. Using the arts as a form of prayer is wonderful outreach, and successful as seen with the increased numbers on Sunday evenings and those who attend the Live Arts Maryland Thursday music series in the church. There is an expense attached to the Sunday service expansion. Tim reviewed the Christmas schedule of services and noted that on Epiphany, the choir will present Giancarlo Menotti's "Amahl and the Night Visitors."

➤ *The Rev. Dion Thompson's Cell Phone Fees*

Cardie noted that it is St. Anne's standard practice to cover the cost of clergy cell phone bills. Inadvertently, Rev. Dion Thompson's cell phone was not included in this year's planning. Vestry should rectify this situation for 2018 and going forward. The current amounts are \$635.13 for 10 months and \$127.02 for Nov/Dec.

Linda moved that Vestry approve St. Anne's paying for Rev. Dion Thompson's cell phone bill in the amounts of \$635.13 to cover the past 10 months and \$127.02 for Nov/Dec. It was seconded by Trip and passed with a voice vote.

➤ *Stewardship Update*

David distributed a report and noted that, while money is coming in, pledges are down. To date, there are 296 pledges (compared with 343 last year at this time). We have 43 new pledges and 75 of last year pledgers who haven't yet pledged this year (equaling about \$128,000). A review of follow up phone calling revealed that most callers ended up leaving voice mails. Discussion followed on making additional calls and other methods of encouraging the stragglers to pledge. Cardie noted that the budget planning meeting is later this week and asked David to send the Executive Committee his best guess by that time.

➤ *Search Update*

The Search Committee has been meeting weekly on Sundays after the 9:30 service. We received 27 rector applications, of which seven are still in consideration (both male and female from all parts of the US). The Committee is now completing the online meetings with these candidates. Candidates will visit St. Anne's through January. After those visits, Search Committee members will make site visits to candidates' parishes.

The goal is to provide three finalists to Vestry. David noted that Townsend McNitt is doing a wonderful job chairing these efforts. He also noted that three candidates had asked why our profile was not available on our website, inferring that we had something to hide. Cardie noted that a public version of the profile wasn't completed (just the one for the OTM website) and that we were advised that churches don't do written prepared profiles as such any more, rather church websites are the de facto profiles. Discussion followed on how to resolve this issue.

➤ *Vestry Rector Candidate Process*

Cardie distributed the latest draft of Vestry rector search process, which now includes giving Vestry members a packet of information prior to Feb. 4 to inform them of what the Search Committee had already done. Cardie asked all to make note of dates and add them to calendars and to consider where each might be able to help with tasks included in the plan.

➤ *Junior Warden's Report and Facilities Requests*

Cardie distributed a Facilities Committee report prior to the meeting. Vestry needs to approve an expense of \$590 to have a plumber install a water line to the water dispenser in the acolyte room. Linda moved that Vestry approve this expense. Carrie seconded and it passed with a voice vote.

➤ *Treasurer's Report*

The Treasurer's report was distributed via email prior to the meeting. In general, income and expense are acceptable and December is projected to be a good month. Highlights are:

Church

Compared with budget, November was a strong month for giving (\$22,667 favorable)

This leaves us \$13,048 favorable to budget YTD heading into the all-important December, the largest giving month.

Total Income is \$26K favorable YTD

Expenses are \$1,077,256, which is \$54.4K favorable through 11 months. This is about 4.8% better than budget. Nearly half of the variance is in the search committee, which will likely need the money in December or early next year.

Net Income is \$80,508 favorable to budget after 11 months. December is typically the biggest month of the year - December giving budget is \$135K. Considering our favorable YTD scenario and the fact that the pledge budget was higher than actual pledges, we will be surprised but delighted if December giving is on budget. But it will most likely still be a good year.

Cemetery

Cemetery is \$(8,882) unfavorable to budget after 11 months.

Both revenues and expenses are unfavorable to budget.

PASA

Net income is \$(3,281) unfavorable to budget after 4 months of the fiscal year.

Endowment

Markets are hugely volatile in the past several months. November investment income was \$60,740

which takes YTD investment income into the positive zone by \$12,000.

November ending endowment balance was \$4,762K but by December 7 this had dropped to \$4,646K or about 2.4% lower after last week's market chaos. The December distribution will be taken in the next week or so in the \$50K range

Other Items

The Audit Committee met last month and recommended we retain Alta CPA and Amanda Ragula as our auditors for the 2018 Audit. The fee will be \$7,650, which is \$150 higher than last year. A vestry motion approving this recommendation is requested.

At year end, we anticipate having a favorable variance in the General Fund. With Vestry's approval, the Treasurer will be directed to transfer that surplus to the Capital Account.

At the end of the PASA Fiscal year on July 31, 2018, PASA had an operating surplus of \$42,155. With Vestry's approval, the Treasurer will be directed to transfer that surplus to the Capital Account.

Earlier this year, Vestry approved the establishment of a restricted fund so that we might store outreach funds from one year for use in the subsequent year. As it is unfolding, the Outreach Committee is under budget for 2018 and may want to move a portion of that money into the restricted fund for use in 2019. With Vestry's approval, the Treasurer will be directed to transfer unspent money to the Outreach Restricted Account.

Budget Status - EC will meet on December 14 to prepare a budget draft for Vestry Review on January 8. We have a long way to go to reach a balanced budget for 2019.

Mark moved that the Vestry approve the Treasurer's moving surplus funds from the General Fund to the Capital Fund before the end of 2018. Ginger seconded the motion and it passed with a voice vote.

Carrie moved that Vestry approve the Treasurer's moving of the PASA surplus in the amount of \$42,155 to the Capital account. Trip seconded the motion and it passed with a voice vote.

Bill moved that the Vestry direct the Treasurer to transfer the \$6,800 in unspent funds from the 2018 Outreach budget into the Outreach Restricted Fund. Linda seconded the motion and it passed with a voice vote.

Mark moved that Vestry approve the engagement of Alta CPA to conduct the 2018 audit, even if the fee increases by \$150 or more. The motion was seconded by Linda and passed with a voice vote.

➤ *Clergy Housing Allowance*

Cardie noted that Vestry must annually approve clergy housing allowances.

She moved that Vestry approve the requested clergy housing allowances as follows:

\$72,000 Rev. Tim Mulder; \$24,000 Rev. Jessica Sexton; \$21,000 Rev. Dion Thompson. David seconded the motion and it passed with a voice vote.

➤ *Announcements/Approval of Minutes/Open Floor*

Cardie expressed the church's gratitude to Tim for his leadership and guidance as we go through this interim period.

Cardie moved to waive the reading of the December meeting minutes, and approve them as submitted. Trip seconded the motion and it carried by voice vote.

➤ *Closing*

Tim led the closing prayer, and the meeting adjourned at 9:25 p.m.

Respectfully submitted,

Katherine Hilton
Registrar