

St. Alban's Episcopal Church
Minutes of Vestry Meeting (AS APPROVED)
Tuesday – January 31, 2017 – 7:15 pm
Nourse Hall

Vestry Officers Present: Laura Ingersoll (Senior Warden), Rich Turner (Junior Warden), Hollis McLoughlin (Treasurer), Emily DiBari (Secretary).

Vestry Members Present: Adrienne Allison, Julie Clements, Andrea Fraser-Reid, Tom Gustafson, Kristie Hassett, Marcus King, Sandy Kolb, Tomás Montgomery, Ken Patterson, Donna Palmer (by telephone), Marty Welch, Emma Morrison (youth representative).

Staff Present: The Rev. Jim Quigley (Associate Rector); The Rev. Emily Griffin (Associate Rector); The Rev. Debbie Kirk (Assistant Rector); Douglas Dykstra (Director of Finance).

Others Present: The Rev. Geoffrey Hoare, Priest-in-Charge-designate; Susan Morris (WSA President).

Call-to-Order: A special meeting of the Vestry having been called pursuant to Article III, Section 2 of the Parish Bylaws, and a Rector being absent and the Bishop having elected not to be present, the Senior Warden presided. A quorum was present. The Senior Warden acknowledged the presence, as observer, of our incoming Priest-in-Charge Geoffrey Hoare, and further noted that this special meeting followed a Vestry mini-retreat on the issue of multiculturalism.

Election of Emma Morrison as Youth Representative: The Senior Warden noted that the Vestry failed to exercise its right to timely elect a youth representative, as provided for in Article III, Section 4 of the Parish Bylaws, but that Emma Morrison, who served during 2015-16, has continued to participate as a non-voting member of the Vestry. Approval of the following Resolution was moved by Tom Gustafson and seconded by Tomás Montgomery:

RESOLVED: Emma Morrison is elected to serve as Youth Representative member of the Vestry, effective June 6, 2016.

The resolution was approved unanimously, and Emma was thanked for her faithful service to the Vestry. [VESTRY ACTION 2017-01.11]

2017 Budget: Treasurer Hollis McLoughlin distributed copies of the proposed balanced 2017 Budget (Draft #5), which is essentially identical to the one previously furnished to the Vestry, and which was developed by the Treasurer, staff, Executive Committee, and Finance Committee following discussions with the Vestry over the course of three months. Vestry members had been encouraged to carefully review the proposed 2017 Budget and consult individually with McLoughlin or Director of Finance Doug Dykstra if they had any questions about it, before tonight's meeting. McLoughlin presented, and walked the Vestry through, his memorandum to the Vestry highlighting major features of the 2017 Budget. (Attachment A.) He reminded the Vestry that the 2017 Budget includes unassigned funds that will be available for the incoming Priest-in-Charge in supporting his program priorities. The budget assumes a pledge income of just

\$1,000,000, which we have achieved; if pledge income increases during 2017, we'll be able to accomplish more than is reflected in this budget. McLoughlin then explained the newly-developed monthly Management Report, to supplement the regular monthly financial reports, which will allow the Vestry to closely track non-pass-through income and expenditures and follow how our income and spending is trending each month.

There was brief discussion of the need to consider raising wedding and funeral fees, which the Wardens agreed to pursue. Kristie Hassett reiterated her abiding concern that the need for a youth minister be addressed.

A MOTION to approve Draft #5 of the 2017 Budget, as presented, was made by Sandy Kolb and seconded by Marcus King, and all in favor voted in favor. [VESTRY ACTION 2017-01.12]

Assignment to Endowment of Fifth Distribution of Belknap Request: The Senior Warden presented the following proposed resolution:

WHEREAS the Vestry has passed a balanced budget for 2017, and the Reserve Fund is fully funded as of January 1, 2017, and

WHEREAS during 2016 substantial sums in unrestricted bequests were used to replenish the Reserve Fund instead of the Endowment Fund, and

NOTWITHSTANDING the general Vestry resolution providing that 10% of any unrestricted bequest be posted to the Operating Fund, it is

RESOLVED that the fifth unrestricted distribution from the Estate of longtime parishioner Margaret "Peggy" Belknap, in the amount of \$25,000, received on January 26, 2017, is posted in its entirety to Endowment Fund.

Approval of the resolution was moved by Adrienne Allison and seconded by Sandy Kolb. In brief discussion, it was noted with gratitude that Ms. Belknap, who died on January 28, 2014, had now bequeathed a total of \$245,000 to St. Alban's. It was further noted that bequests received in the latter part of 2016 had largely been used to replenish the depleted Reserve Fund, and that the Finance Committee recommends a change in Vestry policy to ensure unrestricted bequests are put entirely into the Endowment unless needed to replenish the Reserve Fund. All present voted in favor except for Tomás Montgomery, who abstained. [VESTRY ACTION 2017-01.13]

Executive Session: It was moved and seconded that the Vestry enter Executive Session. [VESTRY ACTION 2017-01.14]

Immediately following Executive Session, the Vestry adjourned at approximately 8:35 pm.

Respectfully submitted,
Emily DiBari, Secretary

January 31, 2017

To: The St. Alban's Vestry

From: Hollis S. McLoughlin

Re: 2017 Budget

This outlines the key areas in the proposed 2017 Budget. The proposed budget is balanced with total income and expenses of \$1,728,436. We are requesting passage of this budget at tonight's meeting.

Income

The 2017 adjusted operating income totals \$1,485,188. The adjusted income does not include the passthrough income categories which consist of the proceeds from the Gala, Mustard seed offerings, and WSA Opportunity shop income. With these categories included the Budget income totals \$1,728,436.

The Budget calls for pledge income goal of \$1,000,000 which we are confident we will achieve since the pledge campaign has already raised \$993,000. While this pledge income number is clearly conservative, we believe that it is prudent because the budget relies on a 2016 carryover of \$133,678 to bring us into balance. To the extent we exceed the pledge income figure it will help us plan more effectively as we move into 2018.

The other budgeted income categories are: Collections (\$77,400), Contributions (\$71,900), the Naselli Trust (\$ 42,000), and the 2017 endowment draw (\$160,211). These figures are all in line with the previous year.

It should be noted that WSA has increased the contribution to the Parish's operating income to \$35,000 from last year's \$30,000. Also, it is the recommendation of the Finance Committee that no bequests be utilized in the 2017 operating budget.

Expenses

The expenses for 2017 less passthroughs total \$1,485,188.00.

The major expenditure is for staff—Clergy (\$487,911) and Lay (\$298,011) for a total of \$785,922. This assumes current staffing with no additions. The Spanish clergy compensation is included through June. It is important to keep in mind that this budget does not have any Rector/Priest in Charge expense in January and February. This will increase the clergy expenses by approximately \$33,000 in 2018.

The other categories in the Budget:

Outreach (\$61,850). Supports Crossroads Shelter, Transforming the Lives of Children, Global Mission, and the Feeding Ministries. We also have budgeted as part of this total \$19,150 which can be allocated as the Mission Committees deem appropriate.

Diocesan support (\$100,000). This represents an increase of \$6,000 from last year and returns us to the level that we have supported the Diocese prior to 2015.

Parish Programs (\$69,005). Supports Christian Education, Pastoral Care, Worship, Music, Parish Events, Fellowship, and Communications all at levels that meet prior year spending levels.

Insurance (\$46,000) and Utilities (\$125,500) are relatively fixed but we will continue to try and achieve savings in utilities with aggressive rate negotiation and good operational management.

Maintenance (\$192,179), includes the annual custodial contract (\$101,924) and a General Maintenance category (\$15,000) as well as a wide range of specific line items. We will work in 2017 to closely monitor those budgeted areas that end up coming in below expectations and reallocate those dollars to necessary deferred maintenance.

PECF Maintenance (\$36,611). This is the amount we pay to the Foundation for security and maintenance support and remains the same from last year.

Church Office expense (\$68,121) is in line with actual expenditures from 2016.

It is important to remember that in addition to these expenses there are outreach expenditures of \$225,100 that are direct passthroughs in the operating budget. This includes the WSA distribution of grants to outside organizations (\$162,100) as well as the Mustard Seed offerings (\$20,000), Gala Proceeds (\$23,000) and WSA's contributions to the Appalachian Service Project which supports our youth (\$5,500), Crossroads (\$6,000) and Housing First (\$6,000).

As we discussed at the last Vestry meeting this budget has below the Income/Expense line a one-time set aside of \$45,000 which provides some flexibility to the Vestry as we welcome new leadership in 2017.

Finally, as approved by the Vestry \$86,803 of the 2016 carryover has been allocated to the Reserve Fund which brings the current balance to \$650,283.