

St. Andrew's Episcopal Church
Vestry Meeting – October 18, 2006

Present: Rector Constance Delzell, Senior Warden Rick Larson, Jennifer Barker, Jonathan Coldren, Roger Kilgore, Mike Kornelsen, Mary Buck, and MaryAnn O'Brien

Absent: Deacon Sally Brown, Junior Warden Cyn Croasdaile, Nicola Donaven, Christy Cisneros, and Greg Geissler

Attending: Treasurer Kathy Fleming, Clerk Cheak Yee; Choirmaster Tim Krueger

The meeting began at 6:40 p.m. with an opening prayer. The Agenda for this Vestry Meeting was adopted as distributed. Two corrections were noted and effected on the draft Minutes of the September 20, 2006 Meeting of the Vestry; one point to be further confirmed was the amount of donations received as of that point in time on the Keeping Faith Initiative. The corrected Minutes were moved, seconded, and approved.

Report on Keeping Faith Initiative -- Organ. Choirmaster Tim Krueger reviewed plans for expansion/ completion of the organ portion of the Initiative. The December 3 recital will be the event to highlight the music portion of the campaign; a brochure is begin prepared and a coffee hour will be hosted where this can be presented. The choir members will be solicited to contribute towards the purchase of one reed. Thus far, about \$40,000 are pledged, he believed firmly, towards the overall goal of \$60,000 which therefore likely can be attained.

In discussion, it was noted that Keeping Faith Initiative pledge cards are already printed and could be used to document pledges directed towards the organ; it was suggested that any brochure be mailed or distributed in November, well before a December 3 recital. Treasurer Kathy Fleming noted the need to coordinate the cash outlays and the timing of the work in the context that the organ builder desires a one-third down payment and the remainder as the work itself gets under way in 2007. It was noted that the weekly notification of progress on donations for the Initiative are, so far, all but \$4,000 unrestricted. It was also recalled that the Vestry had set a priority where, after a level of \$60,000 overall had been reached in this Initiative campaign, the allocation of further donations would be pro-rated amongst its three components, so that the restoration work could be certain to be adequately first addressed.

Discussion on Challenges for St. Andrew's. Senior Warden Rick Larson distributed an outline table reviewing eight challenges confronting the Parish, describing each individually and then suggesting perspectives (both positive and negative) as well as short-term and long-term aspects. The Vestry reviewed these and in the discussion thereof, the following considerations emerged.

1) & 2) Lawn/Grounds and Property Upkeep. We have depended going on three years now on voluntary effort that now seems to be reaching a natural limit. Jonathan Coldren recalled his stepping up in this area 2 years ago but as funds fell short, what was voluntary became nigh compulsory. Mother Connie noted that suburban parishes are very attentive to the upkeep of their grounds and the appearance of trash and of being unkept conveys an sense of being unloved and neglected, which is not welcoming. Treasurer Kathy believed we would benefit from a heightened sense of the grounds being part of the "home" which we "owned." The consensus of

the Vestry was that the next budget would require formal allocation of funds for professional attention to the grounds, even if we continue to seek and to use some element of parish volunteers; moreover, a Property and Grounds Committee ought to be formed, with 1-2 Vestry members sitting thereon, which would coordinate as well with a Junior Warden and any future Sexton. If possible, the chairperson should be a parishioner and not a member of the Vestry to broaden the scope of involvement.

It was suggested that the Junior Warden not automatically chair such a committee which ought to focus on the routine aspects of maintenance and appearance. This would permit the Junior Warden to continue focusing on major and capital issues likely to remain a high priority for some time to come.

It was further suggested that during the upcoming Stewardship Campaign, it may be appropriate to highlight this aspect of our parish stewardship of its property; it bears keeping in mind that as we restore and potentially expand, the needs in this area are unlikely to diminish. It was recommended that the Budget and the Stewardship Committees consult with Mother Connie and the new Senior Warden soon to establish a Property and Grounds Committee and set its directions.

3) Incorporation of New Members. A concern that the parish community is adequately knitting its newcomers integrally into our St. Andrew's family was reviewed briefly. Overall, the sense of the Vestry is that this vital process has been proceeding positively and reasonably adequately. Nonetheless, as we do continue to welcome more newcomers, it is important for the Vestry to help set the example of the personal touch that converts a stranger to a friend.

4) Summer Slump in Receipt of Donations. This traditional pattern in cash flow might be significantly ameliorated if a significant portion of our pledging members agreed to EFT basis for remitting their funds. After discussing the possibility of selective approaches on this, such as a separate telephonic campaign to encourage this step, the consensus of the Vestry was that this option should be highlighted in the Stewardship Campaign as an integral element thereof, with an enrollment card/form for this option included.

Another amelioration would be to have a reserve amount in the regular operating budget, although churches traditionally also find it hard to maintain such an asset. Even if it is only a small step to budget with only a small amount for such a cushion, the sense of the Vestry was to proceed, and to place any surplus from operations in the future into such a reserve to ease the summer slumps that do occur.

5) Current Deep Deficit. This has partly resulted from a preceding budget-setting process that had significant assumptions not carefully reviewed; and, this tends to suffer from the weakness of using previously budget numbers in the face of continuing real inflation for costs/expenses. The sense of the Vestry was that we can do a more realistic job of budget-setting this year for next year, we can make a real dent in the current deficit through the upcoming parish auction, and we need to become less reticent in seeking financial support for our parish home from our congregation. It was noted that if the capital campaigns for expansion are launched, the budget impact will be to raise the annual operation from about the \$250,000 level to the \$320,000 level for a significant period ahead.

6. Overall Financially Marginal Profile. The current complications when the Vestry has been reviewing the financial statements of the Treasurer at our meetings lately might seem to portray an overall profile for the parish as mired in difficulties, possibly facing marginal fiscal health for some time to come. A transition in this post and use of an outside accountant naturally add to the effort involved for the Vestry to sustain its appropriate level of detailed oversight on parish finances and documents; in fact, the Vestry has been exceptionally committed and diligent to the proper mastery of this vital duty. Moreover, as the Vestry agreed, a longer-term retrospective shows that we as a parish overall have been growing stronger in terms of financial health recently, for example in such measures as pledges met to Diocese and Region, or salaries stabilized and increased. Furthermore, when the budget is considered on its projected vs. actual basis, taking into account the passing or the relocation of a significant number of parishioners, it does appear that newcomers are making real contributions to our plate collections, and we can hope they will soon formalize their pledging status as well.

7. Keeping Faith Initiative Progress. The pace of donations has recently improved, and now that the Vestry has been advised of how the effort will proceed to solidify the contributions needed for the expansion/completion of the organ, the sense of the Vestry was that this Initiative is on track to complete by the December 31st timeframe.

8. Complexities of Expansion/Capital Campaign. Various concerns naturally arise: will too many parishioners still be “surprised” by this? will extraordinary donations dry up operating funds? will we attain and sustain a doubled-rate of giving afterwards? Mother Connie reminded that any capital campaign naturally generates considerable anxiety, especially in the Vestry and leadership; professional counseling in this regard for the entire Vestry is certainly available and is highly recommended. As the complexities and details resolve into action and process, usually the level of anxiety drops. The sense of the Vestry is that we do have many dedicated and talented persons involved, we are taking care to notify and to attend to details, and we are duly retaining professional assistance at each step and area necessary. It was also pointed out that a 2006 Diocesan study placed St. Andrew’s well in the range of parish size and growth to be able to undertake appropriate expansion.

Report on Diocesan Convention. This was deferred for any detailed discussion amidst general commentary that its main outcomes were already well known and not especially decisive or clarifying on various issues and options of concern.

Report of the Treasurer. Treasurer Kathy reported that \$19,953 had been paid on the Historic Denver bill, so that the current balance in the Keeping Faith Initiative will shortly reflect that usage. The grocery coupon activity is now properly separated, and income there will be recognized only when fully received. The \$14,935 amount classified as “loaned” from other accounts for operations will hopefully be retired by the auction proceeds, and then, hereafter, it is hoped that cash flow management and improved budget-setting and keeping will eliminate the need for any future such borrowings. The former capital campaign money market fund is now zeroed out. A remaining important question is how to treat the “loan” as an item on the 2006 books; one method would be to have it roll over to the 2007 budget and then pay it off early in that next year.

Kathy distributed a Sources and Uses summary for the previous Capital Campaign, which indicates \$17,329 not available from fund-raising to be expended as originally anticipated. Roger Kilgore moved that the Vestry approve this summary and report to the Congregation the fund uses from the previous Capital Campaign (as this is usually what is of interest to donors) as the concluding action for that Campaign; MaryAnn O'Brien seconded the motion and it passed. It was noted that the fall-off rate of 4.8% in actual funds raised vs. projected to be raised is considered a good result

Kathy reported that an unsecured line of credit can be obtained from Colorado State Bank and Trust for prime plus 1% rate (thus 9.25% currently), on an amount up to \$20,000, with an initial \$500 documentation fee, for a 12-month duration. It is estimated that such an account would be useful in cash flow management during the February-April period and then the summer; it is uncertain if this arrangement could be renewed on a yearly basis without a further fee each time. Treasurer Kathy moved, and Roger Kilgore seconded, the motion to authorize the opening of such a line of credit; the motion passed.

Report on Third Annual Parish Auction. Chair Nicola Donaven submitted a written summary on the tentative results, and changes to consider for the Fourth Auction both administratively and strategically. A brief discussion on the usual patterns and priorities of the Church and Parish year concluded that an October timeframe remains the best timing for this event. The Clerk is directed to provide formal letters of appreciation to those involved with this vital and very successful event.

Report on Keeping Faith Initiative – Pledges. Senior Warden Rick clarified the financial aspects of the Initiative with a table indicating the number of pledges with their progress towards fulfilling their financial promise, plus the donations to date, and thus the remainder to be raised by December 31st. It appears that progress has been sufficient to believe we will meet our overall goals on this Initiative by that date. Roger stressed that we ought to continue our emphasis that this is a “unified” campaign for three conjoint goals. Moreover, the sense of the Vestry was that we should see if an ad hoc committee can be assembled to help Senior Warden Rick with this effort to bring it to a climactic and positive close during a busy and distracted season.

Report on Sacred Vision/Sacred Space. Roger Kilgore reported that the Task Force met both last week and the preceding week and is formalizing a recommendation that the Capital Campaign retain a professional fund-raiser. Doing so will mean revising some of the cash flow projections, along with the fact that commercial loans/mortgages are often for different terms rather than the typical 30 year fixed assumption from the residential arena. A subcommittee of the Task Force has also been established to review price, financing, terms, and timing of any land acquisition that may arise; the realtor has been in touch with the seller and a draft letter of intent is in preparation. The Task Force also discussed the question of whether or not the down payment involved in a land acquisition could be obtained from the Endowment Fund of the Parish, which possibility would significantly impact the cash flow planning.

Roger noted that the Task Force had good discussions on refining his preliminary sketches, and it was hoped to have more detailed drawings by the November Vestry meeting. It was recognized that considerable Capital Campaign conceptualization and planning depends on the design dimension. The Task Force will likely continue to meet semi-monthly to focus on the

many variables now involved in this area, and with the hope to recommend a go/no-go decision to the Vestry before December 31st, so that there is time to familiarize the Parish before its annual meeting. Overall, however, both the Task Force and the Vestry sense is that a good decision is more prudent than merely a quick one.

Report of the Stewardship Committee. Senior Warden Rick had distributed by email a comprehensive report on the recent meeting and decisions of this Committee prepared by Chair Greg Geissler. Treasurer Kathy recommended that the Stewardship Campaign this year formally set a goal of \$325,000, which would be in the range of a 15% increase over recent previous years. In discussion, the coordination of the Stewardship Campaign with the budget process was parenthetically noted: preliminary budget discussions by the Vestry in November and then adjusted after December 3 end of Campaign in December, and submitted to the Parish in January 2007. In the future, a “wish-list” basis for the budget process might begin to be reviewed by the Treasurer, Finance Committee and Vestry as early as September. The sense of the Vestry is that the Stewardship Campaign Committee should have an idea of where the Parish is at financially, but that the other involved parties ought not be overly directive to those focusing on Stewardship, which is broader than only the fiscal component.

Report of the Rector. Mother Connie noted that she will appoint Tim Croasdale to be the next Senior Warden for the Parish, and he will sit with the Nominations Committee for candidates to replace retiring Vestry members.

Mother Connie directed that her letter to the Vestry and people of St. Andrew’s, dated October 18, 2006, be formally incorporated into the Parish records. She recollected in it and to the Vestry the specific cases in which a natural misunderstanding may too readily have occurred where donors intended their gifts to be readily used at the direction of the clergy and vestry of the Parish but, in the absence of formal legal specifications to that effect, such gifts would have been placed into the Endowment Fund of the Parish. Mother Connie believed that this process should be rectified by an appropriate amendment of the Articles of Incorporation so that gifts of donors are more precisely earmarked according to their desires: that gifts when not otherwise designated remain available to the clergy and vestry to use for the best interests of the Parish in their judgment at the time, and only gifts which are specifically designated for the Endowment Fund be placed therein. Mother Connie noted that vestries and clergy are normally very careful in their discharge of their duties, and it is reasonable that donors who do not take specific steps to place their gifts into an Endowment Fund would intend their gifts to be of general benefit and under this type of general management/supervision.

It was noted by two persons in attendance that they had had to take such specific steps so that their intended gifts did not add to the Endowment Fund inadvertently. It was suggested that if we currently have important uses for Endowment Fund monies, such as a down payment on land acquisition, we could utilize the current provisions for disbursement according to the requisite 2/3 majorities; subsequently, we could address making other changes in both the Articles of Incorporation, and perhaps this would be a good occasion to review all of our governing documents for their current adequacy.

It was also suggested that changing the Articles of Incorporation in this potentially sensitive regard ought to be approached as much as possible as achieving a consensus so that taking a vote is only a formality.

It was noted that security systems were left off recently on a Sunday. We need to be careful about this aspect of our property stewardship in our downtown neighborhood.

A query was raised about how Vestry Minutes should be filed and made available for parishioners. Further information will be obtained and the matter was deferred.

A closing prayer was offered and the meeting adjourned at 10:05 p.m.

Next Vestry Meeting: November 15, 2006

Respectfully submitted,

Cheak Yee, Clerk