**Vestry Minutes**

**July 21, 2021**

**7:00pm-9:00pm**

**Zoom Meeting**

**Attendance:** Alison Banker, Rev. Denise Cabana, Mitch Chester, Rich Connell,

Bob Dugger, Lisa Gleason, Becky Lee, Deb O’Donnell, Joyce Reynolds

**Absent**: Sam Hoyt, Erin Perrelli, Cheryl Turner

**Financial Committee in Attendance**: Rick Edwards, Don Gardner, Pat Goodrich

**Discussion**

* **June Vestry Minutes –** Motion to accept the minutes as written by Bob Dugger and seconded by Debbie O’Donnell. Unanimous vote to accept minutes as written.
* **Treasurer’s Report – Bob Dugger**

Balance Sheet reflects that the checking account is $13,400 lower than prior month. There is $6,000 less in General Fund and $6,000 less in Joining Jesus Fund as well as a loan payment to the Diocese for $1,500 which make up this decrease.

Rick Edwards noted that the checking balance of $270K includes the $100K loan amount plus the Joining Jesus Funds, leaving about $50K for regular expenses.

Treasurer’s Report reflects this month’s budget position in a deficit of $5,905. Total income equaled $22,779 while expenses equaled $28,684. This is attributed to an income shortage due to lack of funds received from facilities use and fundraising, as well as a shortage of Other Offerings ($630 actual compared to $1,165 budgeted).

Motion to accept the Treasurer’s Report was made by Joyce Reynolds and seconded by Mitchell Chester. Unanimous vote to accept the Treasurer’s Report.

* **Update on Air Filtration System – Don Gardner**

Don stated that the Merv 13 filter has been installed and the other filters for the southside of the church came in today and will be added. The ductwork to complete the supply and return needs to be finished. Once these things are done, this will recirculate filtered air.

Thought is being given to the cost-benefit of doing the additional work to bring in outside air. There may be less expensive alternatives to provide clean air that should be considered. Stand-alone filters, overhead fans are some options. Don suggesting further research and discussion before deciding to go to the next step. Vestry agrees.

Don raised the point that the heating system needs to be replaced, at a cost of $50K.

**ECCT Presentation – Derrick DaSilva, Gigi Leackfeldt, Kathy O’Hearn, Rosanna Rosado**

* **Review & Discussion of Financial Analysis**

The ECCT prepared and presented the attached Financial Analysis for Saint James.



The ECCT noted that the Operating Expenses had a significant drop in 2013. Saint James responded that this was due to the move from two priests to one in 2013. ECCT excluded 2011 & 2012 from projections so as not to distort results.

The “Impact on Financial Resources” slide indicates that Saint James’ cash balance is high. Bob Dugger noted that is because our recently received loan of $100K plus the Joining Jesus Funds are being held in the checking account. This is for maximum flexibility as we are deciding on how to use the funds. Rosanna Rosado said that keeping 3-6 months of expenses is prudent, but any amounts higher than that should be invested to earn income. Bob Dugger asked if they had any short term vehicles for investment that they could recommend. Since the money is for short term use, there do not seem to be any options that will pay interest and allow immediate access. Rosanna Rosado said she will do some research and get back to him.

Two scenarios of estimated future revenues were created.

Operating Revenue = Pledge, Plate, Regular Support + Income from Investments + Other Income

Operating Revenue for Scenario 1 – represents a continuation of trends; includes Plate, Pledge revenue projections that are based on the annual change rate from 2013-2020.

Operating Revenue for Scenario 2 – represents a potential return to pre-covid level; includes Plate, Pledge revenue projections based on an average of the years 2017-2020

* + Operating Revenue Scenario 1 – Operating Expenses (Excludes Clergy Comp.) = Available for Clergy Scenario 1
  + Operating Revenue Scenario 2 – Operating Expenses (Excludes Clergy Com.)= Available for Clergy Scenario 2
  + Scenario 1 – Amount Available for Clergy equals $113,601 in 2021 and decreases down to $81,312 in 2025.
  + Scenario 2 – Amount Available for Clergy equals $134,139 in 2021 and decreases down to 127,738 in 2025.

The ECCT believes that Scenario 1 is the most likely revenue scenario.

The cost of a full-time Priest, with healthcare benefits for a family, is $148K annually.

Neither Scenario will cover that amount.

ECCT is recommending the move to a part-time priest based on the likely situation of Scenario 1. It is possible to change that scenario by having pledge campaigns, capitol campaigns, fundraisers, attracting new families (outreach), renting out property etc. to increase the projected revenue. They will provide Rev. Denise with some references and resource links on non-profit fundraisers and applying for grants. The “Commons Companion” was suggested as a resource.

Vestry members expressed that they do not want to move to a part-time priest. Rev. Denise reminded Vestry that the ECCT was just here to present the financial picture, not to mandate an action. Decisions will be up to Saint James.

Discussion was held regarding the clergy pension. Rick Edwards expressed that he feels the pension fund benefit is not sustainable. ECCT agrees, but that is not anything that can be changed at this point in time. They suggested applying for a pension deferment which is a waiver of the pension payments for 2 months, and can be done up to 4 times. The ECCT pays into the fund on behalf of the parish – it can relieve cash flow.

The ECCT’s report states that Saint James is a parish in good standing. This is beneficial when applying for loans or grants. This is taken into account.

Debbie O’Donnell asked if Saint James is considered a parish “in trouble”? The answer is no, Saint James is not considered a parish in trouble.

**Additional Discussion**

* After the ECCT left, discussion was held regarding suggestions for how to increase revenue for Saint James. Of note:
* Attracting new families is important for long term sustainability, but there is not time to bring in new people to increase pledges enough to the level needed in the short time we have to make a decision.
* As we have been told for the last several years, the congregation is aging. As we lose long term members, new families do not replace them at the same pledge level. It takes 6 new families to replace the pledging of one long term congregant.
* A decision needs to be made about the Director of Christian Education position. Can we afford to keep this position when we can’t afford a full time priest? A small group will meet to discuss and will bring back thoughts to the Vestry. The group will consist of: Mitchell Chester, Debbie O’Donnell, Alison Banker, Dan Aramini, possibly Kayla Tubolino.
  + There are currently 10 children in PreK-4th grade who meet as a group. The DCE is currently trying to find a new curriculum for them.
* The Minister of Music position was discussed briefly, with the idea that all expenses have to be looked at. It is not really viable to eliminate this position.
* Don Hamer has “associated” with Saint James. He will be considered a “Priest Associate”. There is no cost to Saint James, and it will allow him to fill in for Rev. Denise when he is needed/he is able.
* Meetings can be held at church, but the only place allowed is in the Parish Hall or the Atrium due to the ventilation issue. They cannot be held the same night as an AA meeting (held Mondays and Tuesdays). Windows must be open/fans running.
* Rev. Denise met with parishioner Ed Crow. He wants to engage the Vestry and the parishioners in serving the community better and asks “how can we help people find God?” This is an important thought and will be considered for action in the future.

**ACTION ITEMS:**

1. Communicate with the Parish about:
   1. Financial Situation
   2. Loss of money from the Joining Jesus Fund
   3. Air filtration system (Don will provide notes)
2. Send ideas and thoughts to Debbie O’Donnell on how to present this information to the congregation in the Network as soon as possible. Joyce offered to write an article for the Network regarding ECCT’s recent assessment of St. James’ financial situation and the loss of a substantial pledge from the Joining Jesus Fund. Debbie asked that the article be submitted to her by August 1st.

**Next Meeting Dates**:

August 4th at 7pm – in person at Saint James and on Zoom

August 25th at 7pm – in person at Saint James and on Zoom

Closing prayer – Mitchell Chester

Respectfully submitted,

Lisa Gleason