



The vestry was called to order at 7:15 pm, once a quorum (2/3) was present.

**Attendance**

Nicholas Morris-Kliment (Rector)	X	Scottie Miller (Associate Rector)	X	Duncan Allen (Treasurer)	X	Stan Hitron (Warden)	X
David Carnahan (Clerk)	X	Joe Barr	X	Janet Haines	X	Martin Walter	X
Phil Trussell	X	Jeff Murphy	X	Stefano Migliuolo	X	Nardin Baker	X
Michael Niden	X	Patty Smith	X	Tim Lysaght	X	Denise DeGroff	X
Linnea Wren	X	Kimberly Rocco	X				

**Worship/Christian Learning Chair: Nick, Parliamentarian: Scottie**

**Prayer and Formation**

We read the short form of the Evening Prayer, BCP 139, then prayed and gave thanks before proceeding with the meeting.

**Information/Report Questions/Clarification**

**Giraffe award**

The Vestry sent Scottie their nominations, and a new recipient was selected.

**Newcomers**

We reviewed the 2018 newcomers list. One of these, David Borah, will be taking over from Nardin Baker as Chair of the investment committee.

**Stewardship**

2019 pledges to date are ~95% of the total for 2018 already, so things look reasonably good. The stewardship team is still making calls to round up the last pledges. Martin read a welcoming statement from January 3<sup>rd</sup> encouraging us to invite others to church. Nick and Scottie are planning to hand out ashes at the Hersey train station on Ash Wednesday.

**Safe Church training**

Nardin set up Safe Church credentials for each Vestry member and those interacting with children at the Church. We agreed to be trained by next meeting, and to retrain every 3 years, per our policy.

**Elections**

Three of four of the vacancies are ready to be filled on Vestry. Ingrid Melvin, Annie Russell, & Phil Bergen are standing for Vestry. Amy Sweeney will be a candidate for delegate to diocesan convention. Jeff Murphy will stand for Warden, and Stan Hitron will continue as Warden. No delegate to the Deanery has yet been identified.



## Property

1. The property committee made a list of priority property items that need to be taken care of.
2. There is a \$17,400 budget item requested for 2019, to fund stucco repair, flashing stains, heating repairs, window well cleaning, and half glass doors for Nick and Scottie.
3. There are about \$100k in other repairs that could be funded by bequests.
4. Boiler: The boiler's condenser is now repaired ~\$5k.
5. Expressions: They were in default by \$12k at year's end. She is in breach of the lease, and is now planning to pay \$1500/month, perhaps for less space.

## Treasurer's Report

### 1. Treasurer , See appendix A

The deficit for 2018 was only \$12k instead of ~\$35k, thanks to grants and gifts from the parish during our summer fundraiser. With those gifts we would have been at a break-even position had Expressions been able to pay its full rent. We also had to invest in buildout for the new tenant, which will have paid for itself early in 2019.

On the campaign for 2019, many people who increased their pledges during the summer committed to much of that increase for this year, which did move the mean in a good direction. Some losses occurred at the higher end of the donor pool. Our total dollar is likely to exceed last year.

*The Treasurer's report was accepted by the Vestry.*

At the next Vestry meeting, we will look to reconcile the endowment draws to balance the operations for 2018.

## Action

The finance committee created several versions of a 2019 budget. A business as usual budget looked to end in too large a deficit, so adjustments were made. The primary change is to discontinue the music at the 5:30 service. That would end up with a 26k deficit. Another budget (variant B) was prepared assuming that the church operates with only a single clergy person after June 30, 2019. This indicated a possible \$19k surplus, but it is not an attractive option. Another budget (variant A) maintains a 2<sup>nd</sup> clergy person, and makes some cuts to outreach and payroll, leading to a deficit of ~\$20k. This mostly is due to a rental revenue dip as Expressions leaves. There is possible upward potential in our rental income for 2019. This budget assumes that we can extend our associate rector's contract until the end of 2019, and recognize that we will need to be cognizant of her own developmental objectives.

*A motion was made to recommend the Variant A budget to the 2019 parish meeting for a vote. The motion passed.*

The Vestry asked Jeff Murphy to present this budget with Duncan Allen, and to remind the congregation of their decision to run a deficit for ~two years to spur growth, and to report on the results of that decision.



## **DATES TO REMEMBER**

Annual Meeting: Sunday, February 3, 2019 11.15am  
Vestry Retreat: Friday/Saturday, March 1-2, Bethany House of Prayer, Arlington  
Vestry: Tuesday, January 15, 7.15  
Annual Meeting: Sunday, February 3, 2019 11.15am  
Vestry Retreat: Friday/Saturday, March 1-2, Bethany House of Prayer, Arlington

**Closing** The meeting adjourned at 9:30

## **Appendix A. Treasurer's Statement & Notional 2019 Budget**

### **Christ Episcopal Church, Needham MA Treasurer's Report – Fourth Quarter of Calendar 2018**

#### Operations

As of the end of December 2018, total operating revenues were \$613,366 or 104.5 percent of the forecast for the year. The principal reason for this is the success of the summer fundraising campaign which by itself would have erased our projected annual deficit in the absence of other unforeseen developments. On the revenue side, these developments included fundraising income lower than forecast, and a default in rentals from a tenant that offset both a grant we received from the diocese for music at our evening service and new rental income from new tenants, including the Total Eclipse dance studio.

On the expense side, the annual total for 2018 was \$625,634 or 100.4 percent of the annual budget. The major unexpected developments in 2018 were for building repairs and contingencies, specifically the improvements to our basement to accommodate Total Eclipse (which will in effect pay for themselves early in 2019), repairs to our water line, and repairs to our solar array from squirrel damage. The loss of our solar array also contributed to higher electric costs. Our forecast for personnel-related costs may have been slightly higher than needed, and some attention to the number of hours worked by staff, have shown up as lower-than-forecast amounts for several personnel-related items.

The results by operating budget line item may be found on the reverse of this page. The combination of revenues and expenses came to a deficit of \$12,268, substantially less than the budgeted amount. However, it should be borne in mind that there were an unusually large number of unanticipated developments behind this on both the expense and revenue sides.

#### Outlook

Overall, the results for 2018 have been better than forecast. Next year will nevertheless continue to present challenges, as a likely increase in pledge and operating support revenue will likely be offset by the loss of a major tenant which the dance studio does not fully offset, and the level of donations associated with the summer fundraising campaign and the diocesan grant cannot be planned on for 2019. Careful attention to the expense side of our operations will be required in the 2019 budget to keep us on the path to fiscal balance.

#### Vestry Actions

Vestry will be asked to act on the parish's operating budget for 2019.

Respectfully submitted,

Duncan W. Allen P.E.

Treasurer



Needham, MA  
Vestry Minutes  
Date: Jan 15, 2019



December 2018 Treasurer's Statement	2018 Budget	2018 Actual	Actual - Budget	Actual/ Budget
<b>Revenue:</b>				
<b>Offerings</b>				
Pledge Income and Regular Support	\$ 397,500	\$ 382,583	\$ (14,917)	96.2%
Loose Plate	\$ 5,168	\$ 8,005	\$ 2,837	154.9%
Christmas & Easter Offerings	\$ 5,200	\$ 4,121	\$ (1,079)	79.3%
Donations/Gifts	\$ 10,600	\$ 51,845	\$ 41,245	489.1%
Diocesan Assistance (1730 music)	\$ -	\$ 6,000	\$ 6,000	#N/A
Fund Raising Events	\$ 12,500	\$ 5,555	\$ (6,945)	44.4%
<b>Investment Income</b>				
Facility Rental Income	\$ 95,000	\$ 94,901	\$ (99)	99.9%
Endowment Income	\$ 61,155	\$ 60,356	\$ (799)	98.7%
<b>Total Operating Revenue</b>	<b>\$ 587,123</b>	<b>\$ 613,366</b>	<b>\$ 26,243</b>	<b>104.5%</b>
<b>Expense:</b>				
<b>Operations &amp; Education</b>				
Child Care	\$ 2,208	\$ 2,565	\$ 357	116.2%
Family Ministries	\$ 1,800	\$ 1,495	\$ (305)	83.1%
Adult Education	\$ 150	\$ 100	\$ (50)	66.7%
Holy Grounds	\$ 700	\$ 861	\$ 161	123.0%
Music	\$ 13,000	\$ 14,278	\$ 1,278	109.8%
Office Supplies & Expense	\$ 6,500	\$ 5,628	\$ (872)	86.6%
Vestry	\$ 750	\$ 696	\$ (54)	92.8%
Postage	\$ 1,650	\$ 1,248	\$ (402)	75.6%
Stewardship & Planned Giving	\$ 500	\$ -	\$ (500)	0.0%
Telephone	\$ 2,650	\$ 2,390	\$ (260)	90.2%
Travel	\$ 4,200	\$ 4,425	\$ 225	105.4%
Treasurer	\$ 17,500	\$ 17,590	\$ 90	100.5%
Worship	\$ 2,750	\$ 2,762	\$ 12	100.4%
Altar Guild	\$ 500	\$ -	\$ (500)	0.0%
Flowers	\$ -	\$ 571	\$ 571	
Technology	\$ 2,750	\$ 3,889	\$ 1,139	141.4%
Communications	\$ 1,250	\$ 681	\$ (569)	54.5%
Fellowship	\$ 1,400	\$ 2,009	\$ 609	143.5%
<b>Outreach*</b>				
Community Concerns	\$ 7,000	\$ 7,000	\$ -	100.0%
Parish Partnership	\$ 3,876	\$ 3,852	\$ (24)	99.4%
<b>Payroll/ Taxes/ Insurance/ Pension</b>				
Payroll Expense	\$ 275,900	\$ 260,006	\$ (15,894)	94.2%
Taxes - Payroll	\$ 9,720	\$ 8,140	\$ (1,580)	83.7%
Insurance - Health	\$ 25,560	\$ 25,395	\$ (165)	99.4%
Church Pension Premiums	\$ 38,750	\$ 30,560	\$ (8,190)	78.9%
Continuing Education (Clergy)	\$ 2,500	\$ 1,438	\$ (1,062)	57.5%
<b>Property Improvements &amp; Maintenance</b>				
Building Repairs	\$ 17,500	\$ 44,001	\$ 26,501	251.4%
Building Maintenance	\$ 18,750	\$ 19,159	\$ 409	102.2%
Grounds	\$ 13,000	\$ 11,110	\$ (1,890)	85.5%
Building Supplies	\$ 3,800	\$ 5,697	\$ 1,897	149.9%
Cleaning Service	\$ 19,500	\$ 18,709	\$ (791)	95.9%
Electricity	\$ 4,000	\$ 6,850	\$ 4,000	171.3%
Heat (fuel - oil & gas)	\$ 12,250	\$ 11,721	\$ (529)	95.7%
Insurance - General	\$ 24,000	\$ 26,119	\$ 2,119	108.8%
Copier	\$ 5,200	\$ 5,550	\$ 350	106.7%
Sewer & Water	\$ 4,200	\$ 2,485	\$ (1,715)	59.2%
Repay Diocesan Green Loan	\$ 5,531	\$ 5,531	\$ -	100.0%
<b>Diocesan Assessment</b>				
Diocesan Assessment	\$ 67,895	\$ 67,373	\$ (522)	99.2%
<b>Sub-Total Expense</b>	<b>\$ 619,190</b>	<b>\$ 621,884</b>	<b>\$ 3,844</b>	<b>100.4%</b>
Contingency	\$ 3,867	\$ 3,750	\$ (117)	97.0%
<b>Total Operating Expense</b>	<b>\$ 623,057</b>	<b>\$ 625,634</b>	<b>\$ 3,727</b>	<b>100.4%</b>
<b>Operating Surplus (Deficit)</b>	<b>\$ (35,934)</b>	<b>\$ (12,268)</b>	<b>\$ 22,516</b>	