



The vestry was called to order at 6:15 pm, once a quorum (2/3) was present.

Attendance

Nicholas Morris-Kliment (Rector)	X	Scottie Miller (Associate Rector)		Duncan Allen (Treasurer)	X	Tim Lysaght (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		Patty Smith				Denise DeGroff	
Linnea Wren		Kimberly Rocco					

Worship/Christian Learning (20)

We opened with a short prayer, led by Nick.

Information (15)

Rector’s report- See Appendix A

Expressions Lease: After 7 months of negotiation, we understand that Expressions will sign a one year extension. We could not settle on a long term lease that accommodates the needs of both Expressions and Christ Church. We will list the space in November 2018, as available beginning July 1, 2019.

Treasurer’s Report (Written-Duncan) See Appendix B

HR—Benefits

Discussion & Decision(30)

After extensive discussion in Executive Session, the Vestry voted to continue to adhere to the General Convention resolution A177 (2009) mandating health coverage for employees “scheduled to work a minimum of 1500 hours annually.” The motion passed unanimously.

A motion was made to approve the first portion of the Treasurer’s draft response to the 2017 Diocesan audit, as prepared by the Finance Committee. Motion passed with a simple majority.

The meeting adjourned at 7:48.

DATES TO REMEMBER

- Sunday September 9— Share the Love Sunday: Program Year Begins; Back to 3 Services
- Tuesday September 18, 7.15pm – Vestry, InviteWelcomeConnect
- Sunday September 23 – CCN Gallery Opening: mini farmers market; artist reception
- Tuesday October 16, 7.15pm – Vestry
- Saturday, October 20 7pm, Building the World with Love Concert at CCN
- Sunday, October 21, Fall Appeal Kick-Off



Appendix A. Rector's Report

Dear Friends in Christ,

It is a pleasure to give a thumbnail sketch of some the issues that merit our attention as well as our gratitude as the summer comes to and end and fall approaches. I am grateful for what God is going in our midst.

Summer Worship: The morning attendance ranged from the low 30s to the high 50s; the evening service ranged from 4 to 25. Though I was not at every evening service (only the preacher from the morning presides at the 5.30) Scottie and I both observed that the demographic at 5.30 regularly encompassed teenager to octogenarian. There were a number of folks I had never seen before, one of whom returned two or three times. And the swing in attendance could be marked. One Sunday there were 4; the following Sunday there were 25, including a family of 7: a couple with their 2 kids whom we have seen at Christmas and Easter the past 2 years brought their parents (who had just moved from Atlanta to be near their children and grandchildren) and a niece. We have not done much to publicize this service beyond the parish, other than the beautiful banner on the front lawn. It is a wonderful service. This would be a nice communications ministry for someone.

We're All In: We have much to celebrate here. We matched the 19K in the pot and then some, and finished 2 weeks early. The "late comers" were contacted and graciously allowed us to keep their checks, even though they would not be matched. The amount of gifts ranged from \$25 to \$2500 with lots of variety in between. There was one significant new donor. I'm very grateful to Phil Trussell for organizing a calling brigade to some of our most loyal pledgers. Thanks to all of you who were able to participate. It's not a magic bullet for our structural deficit; and it is heartening to see the support for the parish. Thanks be to God.

Primary Vestry Focus for the Fall: Newcomers/Welcome After conversation with Jeff Mello--Dean of the Charles River Deanery (our Deanery) and Rector of St. Paul's, Brookline, one of the few churches in the Diocese to show marked growth—and Kim Lysaght, chair of the newcomer/welcome team, I would like to have the Vestry spend a significant portion of each of our fall Vestry meetings working with InviteWelcomeConnect, a tool that St. Paul's is currently using with its Vestry. I believe strongly that Christ Church needs to learn how to imagine itself from the perspective of someone who has never darkened our doors but who is hungry for God and community and purpose. Transforming a community in this way is not a quick fix, but rather takes sustained attention, beginning with Parish leadership.
<http://www.invitewelcomeconnect.com/>

Human Resources: Facilities manager and sexton. We are delighted to welcome Ken Cook on board. He came to us via Indeed, and was vetted by Tim, Bob Bell and Bob Begin, as well as Kathy Ganz. He has been introduced in the eBlast and in the bulletin. He is a 25 hour/week employee, with his schedule generally speaking to be M-F, 9-2, but which will vary according what's going on in the parish. Though he has jumped in with both feet, we will need to adjust our expectations around his availability. He lives in Quincy and will not be able to run over to check on things or do a quick task the way Michael was able to. Michael has kindly made himself available to orient Ken to the job.

Health Benefits: Jeff Murphy has prepared a brief on the question of health benefits for part-time lay employees. Discussion of this issue will be the heart of our August Vestry Meeting.

Christ Church Gallery Some of you may have noticed the changing exhibits in the Upper Parish hall. During the summer we had an exhibit by Cynthia West (daughter of Alan and Winnie) of stellar bird photography. The



Earth's Abundance is the theme of the Fall show, which will open formally September 23 with a mini-farmer's market and reception. This is a wonderful collaboration with Lucy LaFleche and Pam Goody. 10% of the proceeds go to a charity of the artist's choosing. The big show of the Fall will be one that coincides with the Building the World With Love Concert in October. Stay tuned..

Children, Youth and Family:

Scottie has been working closely with Nardin on Church School preparation, and with Mike Niden on Youth Group planning. These programs are ready to go!

Faithfully submitted,

Nick+



Appendix B. Treasurer's Report, Duncan Allen

July 2018 Treasurer's Statement	2018 Budget	2018 Actual	Actual - Budget	Actual/ Budget	2018 Annual Budget	Projected 2018 Year End	Difference
Revenue:							
Offerings							
Pledge Income and Regular Support	\$ 204,319	\$ 210,462	\$ 6,143	103.0%	\$ 397,500	\$ 394,730	\$ (2,770)
Loose Plate	\$ 2,802	\$ 4,594	\$ 1,792	164.0%	\$ 5,168	\$ 7,500	\$ 2,332
Christmas & Easter Offerings	\$ 2,000	\$ 2,530	\$ 530	126.5%	\$ 5,200	\$ 6,000	\$ 800
Donations/Gifts	\$ 1,952	\$ 21,946	\$ 19,994	1124.3%	\$ 10,600	\$ 43,600	\$ 33,000
Diocesan Assistance (1730 music)	\$ -	\$ -	\$ -	#N/A	\$ -	\$ 6,000	\$ 6,000
Fund Raising Events	\$ 5,000	\$ 2,111	\$ (2,889)	42.2%	\$ 12,500	\$ 9,750	\$ (2,750)
Investment Income							
Facility Rental Income (<i>status quo</i>)	\$ 54,769	\$ 57,693	\$ 2,924	105.3%	\$ 95,000	\$ 95,000	\$ -
Endowment Income	\$ 30,577	\$ 43,800	\$ 13,223	143.2%	\$ 61,155	\$ 61,155	\$ -
Total Operating Revenue	\$ 301,419	\$ 343,136	\$ 41,717	113.8%	\$ 587,123	\$ 623,735	\$ 36,612
Expense:							
Operations & Education							
Child Care	\$ 1,274	\$ 1,662	\$ 388	130.5%	\$ 2,208	\$ 2,800	\$ 592
Family Ministries	\$ 852	\$ 333	\$ (519)	39.1%	\$ 1,800	\$ 1,500	\$ (300)
Adult Education	\$ 130	\$ 100	\$ (30)	76.9%	\$ 150	\$ 150	\$ -
Holy Grounds	\$ 406	\$ 685	\$ 279	168.7%	\$ 700	\$ 1,000	\$ 300
Music	\$ 7,487	\$ 3,790	\$ (3,697)	50.6%	\$ 13,000	\$ 12,700	\$ (300)
Office Supplies & Expense	\$ 4,197	\$ 3,613	\$ (584)	86.1%	\$ 6,500	\$ 6,500	\$ -
Vestry	\$ 750	\$ 600	\$ (150)	80.0%	\$ 750	\$ 600	\$ (150)
Postage	\$ 961	\$ 839	\$ (122)	87.3%	\$ 1,650	\$ 1,650	\$ -
Stewardship & Planned Giving	\$ -	\$ -	\$ -	#N/A	\$ 500	\$ 500	\$ -
Telephone	\$ 1,545	\$ 1,397	\$ (148)	90.4%	\$ 2,650	\$ 2,650	\$ -
Travel	\$ 2,450	\$ 2,637	\$ 187	107.6%	\$ 4,200	\$ 4,200	\$ -
Treasurer	\$ 10,450	\$ 8,997	\$ (1,453)	86.1%	\$ 17,500	\$ 18,000	\$ 500
Worship	\$ 1,640	\$ 2,234	\$ 594	136.2%	\$ 2,750	\$ 3,250	\$ 500
Altar Guild	\$ 290	\$ -	\$ (290)	0.0%	\$ 500	\$ 500	\$ -
Flowers	\$ -	\$ 171	\$ 171	#N/A	\$ -	\$ -	\$ -
Technology	\$ 1,524	\$ 662	\$ (862)	43.4%	\$ 2,750	\$ 2,750	\$ -
Communications	\$ 687	\$ 656	\$ (31)	95.5%	\$ 1,250	\$ 1,250	\$ -
Fellowship	\$ 725	\$ 892	\$ 167	123.0%	\$ 1,400	\$ 1,550	\$ 150
Outreach*							
Community Concerns	\$ 3,325	\$ 3,675	\$ 350	110.5%	\$ 7,000	\$ 7,000	\$ -
Parish Partnership	\$ 2,584	\$ 2,572	\$ (12)	99.5%	\$ 3,876	\$ 3,876	\$ -
Payroll/ Taxes/ Insurance/ Pension							
Payroll Expense	\$ 155,515	\$ 163,498	\$ 7,983	105.1%	\$ 275,900	\$ 275,900	\$ -
Taxes - Payroll	\$ 5,710	\$ 4,934	\$ (776)	86.4%	\$ 9,720	\$ 9,720	\$ -
Insurance - Health	\$ 14,910	\$ 15,704	\$ 794	105.3%	\$ 25,560	\$ 25,560	\$ -
Church Pension Premiums	\$ 22,603	\$ 17,091	\$ (5,512)	75.6%	\$ 38,750	\$ 38,750	\$ -
Continuing Education (Clergy)	\$ 1,456	\$ 200	\$ (1,256)	13.7%	\$ 2,500	\$ 2,500	\$ -
Property Improvements & Maintenance							
Building Repairs	\$ 9,824	\$ 13,477	\$ 3,653	137.2%	\$ 17,500	\$ 20,000	\$ 2,500
Building Maintenance	\$ 10,609	\$ 10,955	\$ 346	103.3%	\$ 18,750	\$ 20,250	\$ 1,500
Grounds	\$ 8,421	\$ 6,590	\$ (1,831)	78.3%	\$ 13,000	\$ 13,000	\$ -
Building Supplies	\$ 2,231	\$ 3,249	\$ 1,018	145.6%	\$ 3,800	\$ 4,800	\$ 1,000
Cleaning Service	\$ 11,375	\$ 6,325	\$ (5,050)	55.6%	\$ 19,500	\$ 19,500	\$ -
Electricity	\$ 2,044	\$ 4,466	\$ 2,422	218.5%	\$ 4,000	\$ 5,000	\$ 1,000
Heat (fuel - oil & gas)	\$ 7,723	\$ 8,946	\$ 1,223	115.8%	\$ 12,250	\$ 13,500	\$ 1,250
Insurance - General	\$ 12,000	\$ 13,274	\$ 1,274	110.6%	\$ 24,000	\$ 24,000	\$ -
Copier	\$ 3,070	\$ 3,252	\$ 182	105.9%	\$ 5,200	\$ 5,200	\$ -
Sewer & Water	\$ 1,440	\$ 1,052	\$ (388)	73.1%	\$ 4,200	\$ 4,000	\$ (200)
Repay Diocesan Green Loan	\$ 3,227	\$ 3,227	\$ -	100.0%	\$ 5,531	\$ 5,531	\$ -
Diocesan Assessment							
Diocesan Assessment	\$ 33,947	\$ 16,843	\$ (17,104)	49.6%	\$ 67,895	\$ 67,895	\$ -
Sub-Total Expense	\$ 347,382	\$ 328,598	\$ (18,784)	94.6%	\$ 619,190	\$ 627,532	\$ 8,342
Contingency	\$ -	\$ -	\$ -	#N/A	\$ 3,867	\$ 3,867	\$ -
Total Operating Expense	\$ 347,382	\$ 328,598	\$ (18,784)	94.6%	\$ 623,057	\$ 631,399	\$ 8,342
Operating Surplus (Deficit)	\$ (45,963)	\$ 14,538	\$ 60,501		\$ (35,934)	\$ (7,664)	\$ 28,270



PARTIAL (1 of 2 meetings) Set of 2017 Audit Responses for Vestry Approval 8/21/2018, as Approved by Finance Committee 8/14/2018

Treasurer's note: the draft responses are in *italics*.

Chart of Accounts/Financial Reporting

The Statement of Financial Position (Statement) is created using the Realm software application which has a chart of accounts set up in 2008. The Statement produced does not include all significant assets (real estate, investments), or outstanding liabilities. Similarly many accounts are categorized as liability accounts, a categorization that appears inconsistent with the underlying transactions. Also, there are several accounts that appear to be fund accounts in different account series, with many having the same or similar titles. As a result, there is the potential for confusion and inconsistency in recording transactions. Funds are also not classified as unrestricted, restricted or designated.

Below are specific recommendations relevant to the restructuring of the chart of accounts:

1. Evaluate all accounts in the 20000, 80000 and 90000 series to document the purpose and the nature of the account i.e. Asset, liability, income, expense, net asset (fund). Also, for those accounts recognized as funds, determine the fund classification: designated, restricted or unrestricted to support reporting in conformance with the net asset requirements.
2. Simplify the account structure and consolidate funds where appropriate.
3. Set up accounts for all significant assets (land, building, fixtures, capital improvements, investments) and for mortgages, loans and other liabilities such that these can be reported on the Statement of Financial Position.
4. Develop a process for reporting fund activity – operating and non-operating – and aligning income and expense accounts with each fund, if possible.

Once the chart of accounts is addressed, it is recommended that a process is developed for creating a Statement of Financial Position that includes all assets, liabilities, and net assets with accounts categorized according to restrictions – permanently restricted, temporarily restricted and designated, and unrestricted. (See Proforma Statement of Financial Position attached to this document which is based on amounts verified during the audit as well as certain assumptions. The net asset section requires further research)

Draft Response:

The Vestry agrees with the auditor's recommendations and has directed the Treasurer and bookkeeper to implement them, with some continuing advice from the auditor.

Fund Restriction List

It is recommended that, once the review of deeds, agreement with donors and vestry minutes is complete, a permanent list is created and maintained with fund name, account number, restriction



category and specific terms, conditions and restrictions including restrictions for spending principal and income. This list will serve to support future spending decisions.

Draft Response:

The Vestry has directed that this recommendation be implemented.

Bank Reconciliations

In a review of the year end account bank reconciliation, there was a discrepancy between the book balance per the reconciliation and the book balance in the system of record. It is recommended that the Treasurer show evidence of his review of bank reconciliations and that a copy of the relevant Statement of Financial Position is filed with a hard copy of the reconciliation and the bank statement.

Draft Response:

The Vestry has directed that this recommendation be implemented at the beginning of 2019.

Payroll Records

In a review of seven active employee personnel files, two files did not contain a Form I-9. It is recommended that Form I-9's be obtained from these employees.

Draft Response:

Forms I-9 have been completed by all current employees.

Update on Prior Audit Significant Recommendations:

Note: Treasurer has applied square brackets [] to the prior suggestions.

[Recommendation – It is recommended that the Church complete its inventory list of its most valuable assets not identified in the Church Insurance Appraisal. This list is suggested to include estimated date of purchase and cost or replacement value along with photos.]

Status: No action has been taken to date. The Vestry has discussed this recommendation and intends to address it in 2018.

Draft Response:

At its meeting of August 21st, 2018 the Vestry directed a committee to be formed under the leadership of <name(s) TBD> and charged it with completing the inventory by December 31, 2018.



[Recommendation – It is recommended that the vestry vote on the housing allowance as soon as possible after an offer has been accepted, and then at or near the beginning of each fiscal year.]

Status: In 2018, the Vestry vote for the Rector was taken in the February, 2018 meeting; the Vestry vote for the newly hired Assistant Rector was taken prior to her start date in 2017. The Vestry directed the Rector and Wardens to bring this information before the Vestry at its January meeting.

Draft Response:

The Vestry's prior direction to the Rector and Wardens stands.

DRAFT