

June 22, 2021

Vestry Minutes



Members in attendance: Hal Evans, Kathy Field, Chris Goode, Susan Homar, Ken Hubbard, Kathryn McLearn, David Neises, Sally Robinson, Lyndall Stanley, Trevor Walker, Adrienne Williams, Rev. Kelly Steele.

Absent: Suzanne Thomas

Also in Attendance: Peter Kastner, Treasurer; Doug Eberle, Finance Chair; Phil Snyder, Building and Grounds Committee; Susanne O'Day, Clerk.

-The meeting was called to order at 5:32.

-Kelly opened the meeting in prayer.

-Hal led the Vestry Covenant.

-The May minutes were approved via email.

Formation Discussion

Alice Mann's Appendix on "Church Size Theory"

Vestry members reviewed and described each of the four church sizes. Then, the group reflected on their responses and feelings.

Kathryn said St. Peter's is a hybrid between pastoral and program. Next, Adrienne shared she thinks St. Peter's is planning to be more of a program church which describes the challenges ahead. Dave wondered if St. Peter's was a program church and hang onto that even though now St. Peter's is more of a pastoral church. Hal referenced the title "In-Between Church" and noted how demanding of pastoral care the parish can be.

Sally described the parishioners growing up in more of a family church which demands more pastoral care and attention, while St. Peter's has become more of a program church. Doug agreed and expressed concern for seminarians struggling to assimilate into these models. Pete thought St. Peter's has characteristics of each type of church. Getting beyond the legacy stage to a new stage would be a goal.

Lyndall said a depth of leadership is lacking since everyone depends on the same leaders to do many things. Chris said the problem is not leadership but lack of worker bees. The leaders end up doing a lot of the work. How will young people be drawn in? Phil's experience has been people saying they want to do things but do not follow through. Trevor agreed positions and programs need to be consolidated. People are needed to do smaller tasks. Kathy thought it is a program church but how sustainable is this as people are stretched thin.

Invite, Welcome, Connect Report

Sally shared there will be a social tomorrow at 5 pm for those who have been added to Realm in the last couple years. Betty Stout is adding photos in Realm which will help print a new paper directory. Buddies for new members, nametags, and updating pew cards are various ideas and projects of the committee. There are plans to have a social or groups in the fall. Kathryn said brochure materials should be a cooperative effort between committees and clergy. Putting these in the Welcome Wagon in the Landings could help. Also, any groups like a Men's group would be for the entire parish not just for Newcomers.

June 22, 2021



Vestry Minutes

Building and Grounds Report

Phil gave the report of recent activities of the B&G committee. Recommendations and proposals (attached below) were reviewed. Pete made a motion for the approval of the two contracts stating the money would be sourced from the Maintenance Reserve Fund, Hal seconded the motion, and the vestry approved the recommendation.

Stewardship Report

Jim sent a written report (sent ahead to the vestry) which Kelly reviewed for the vestry. The 2022 stewardship campaign will run 9/19-10/24. A coffee hour budgetary review will be in the plans as well as a potential brunch to celebrate the end of the campaign. A guest preacher will be coming to give a stewardship talk. Everyone who pledged will receive a quarterly statement that goes out in the first week of July.

Finance Report

Doug reported St. Peter's is in good financial shape. Generally, income is up, and expenses are down. The pledge budget is projected to be met. The midyear budget review will take into consideration the new hire. Many larger corporations change auditors, but the current audit firm does a good job. Pete explained this further and volunteered that all the materials are available and transparent.

Pete made a motion that the vestry to authorize the attached suggestion to renew the line of credit with South Street Bank. The motion was approved by the vestry.

Doug made a motion on the proposal attached below regarding the Temporary Restricted Funds. The vestry approved this motion.

The End of the Diocesan Covid-19 Guidelines

Kelly referenced the Bishop's letter (sent ahead) saying each vestry and clergy is responsible to make their own Covid guidance. Kelly proposed that unvaccinated individuals are required to wear a mask, and all other restrictions would be listed. If there are immune compromised individuals, the South transept will be used for distancing. Masks and hand sanitizer will be available. Coffee hour can be moved inside. This should be announced and included in the bulletin so people change patterns and remember to attend.

This was discussed with the vestry and there were no objections.

Diocesan Convention Delegation

The convention will be November 4-6 at the Jekyll Island Convention Center. The hotel rooms are scarce, so the delegates need to book as soon as possible.

The delegate nominees are Pete Kastner, Dave Neises, and Sally Robinson. A motion that these three delegates attend the convention was made, seconded, and approved by the vestry.

Associate Priest Hire

Kelly updated the vestry on the hiring of David Wantland. His compensation will be the same as the approved budget. His housing allowance resolution (attached) was explained and moved for approval. The motion was seconded and approved by the vestry.

June 22, 2021

Vestry Minutes

Closing

Kelly closed the meeting with prayer from BCP p. 124.

This meeting was adjourned at 7:08 pm.

The next Vestry meeting is July 27th at 5:30 pm.

Respectfully submitted,

Susanne O'Day



REPORT TO THE ST. PETER'S CHURCH VESTRY BUILDING AND GROUNDS COMMITTEE

EXECUTIVE SUMMARY- DISCUSSION ITEMS

The Committee is requesting that the Vestry discuss the following item.

- 1) The Special HVAC Committee of the B&G reviewed their report with the Finance Committee on June 17, The Committee voted to recommend to the Vestry that they approve two proposals. The first proposal is for \$ 3,000 from Dvorak Design for 2 architectural renderings for the proposed new ceiling in the Sanctuary. The second proposal is in the amount of \$ 14,900 from Smith and Vandenburg, Mechanical and Electrical Engineers, for the Design Development and Construction Document phases of professional services for the design of the new overhead mechanical system for the Sanctuary. Their proposal also includes electrical design for power to the new HVAC unit and structural design of duct hanging of the main HVAC duct in the Sanctuary. The two proposals are unrelated and stand alone for consideration by the Vestry.

Finance Vestry Action Items – June 17, 2021 Meeting

The following motions for Vestry motion were approved at the Finance Committee meeting on June 17, 2021.

❖ B&G HVAC Project

Ken Hubbard provided an update on the B&G major projects, particularly the proposal for hiring Smith and Vandenburg to provide the mechanical engineering design of the sanctuary HVAC system and Dvorak Design to provide visual renderings of the sanctuary interior with the new ductwork. The Committee views both as critical for the success of the proposed HVAC capital campaign. The Finance Committee strongly supports these B&G proposals and recommends Vestry approval of these contracts.

Motion: The Finance Committee recommends Vestry approval of the B&G recommendation for contracting with Smith and Vandenburg for provide a mechanical design of the sanctuary HVAC system as documented in their proposal for \$14,600 and additional services according to the schedule provided in their proposal and contracting with Dvorak Design to provide two renderings of the potential sanctuary interior for \$3,000.

June 22, 2021

Vestry Minutes



❖ Inactive Temporary Restricted Accounts (TRA)

In accordance with Vestry policies, the Finance Committee reviewed those Temporary Restricted Account (TRA) funds which have had no activity (revenue or expense) for three (3) years (2018 – 2020) and/or are unlikely to be active in the foreseeable future. Additionally, any TRA with a negative May 2021 balance, except the New Ministry – Technology Driven TRA, is included in the review list. The Committee reviewed and approved the attached proposal for disposition of the balances in TRA funds that have had no revenue or expenditure activity in three years. This effort will clean up the list of TRAs and address some confusion on the purpose of some of these funds. The motion in the attached is duplicated below.

Motion: The Finance Committee recommends Vestry approval for the disposition of the current balance in the TRA funds noted in the attached. Specifically: Transfer \$197 from the Memorial (Gen) Fund to the Parish Retreat Fund to eliminate the negative balance; Transfer the balance from the Youth Opportunity Fund to the Youth Pilgrimage Fund; Transfer the balance from the Helping Hands (Men of St Peter's) Fund to the Designated Gifts Fund for disbursement by the Outreach Committee. Additionally, change the status of the Youth Opportunity Fund and the Helping Hands (Men of St Peter's) Fund TRAs to 'inactive'.

❖ A Motion by the Vestry from the Finance Committee

In order to complete applications at South State Bank, and update our records with the Georgia Secretary of State, the Vestry of St. Peters Episcopal Church on Skidaway, Inc. hereby attest and authorize:

1. Hal Evans is the Senior Warden and Peter Kastner is the Treasurer of St Peters in 2021.
2. The Senior Warden and the Treasurer are authorized to sign the corporate resolution forms of South State Bank and take any additional steps in conjunction with the St Peters line of credit application.
3. The Secretary is authorized to update the records regarding St Peters at the Georgia secretary of state's office or website.

The Finance Committee wishes to inform the Vestry of the following items:

❖ Temporary Restricted Account - Library Fund Investment strategy

Treasurer Pete Kastner, Doug Eberle, and Debbie Giordan met with Chuck Koepke and Ed Fields to explore investment options and develop an investment approach for these funds. Notes: The Library Fund (\$50K) is permanently restricted and therefore can be conservatively invested long term. The investment income from the fund is used to purchase books for the library. The excess monies in the TRA funds should be invested based on the projected time frame for when the monies will be needed. Two approaches were considered, one for the Library Fund and another for the TRA funds: Library - comingling the \$50K permanently restricted Library Fund with the Endowment Funds, TRA - investing the surplus TRA funds in short term bond "ladders". The Diocese investment funds were considered not realistic for St. Peter's funds due to their investment mix. The \$50K Library Fund investment income would be separated from Endowment Fund investment income when the three-year average distributions are calculated. In this approach no investment from the Library Fund would be recognized until the third year after the funds were invested. The Library TRA, where the fund's investment income is posted, has ample monies to purchase library books during the three-year gap. Chuck Koepke volunteered to explore investment options for the surplus TRA funds. He reported that Minis & Company, who manage the Endowment Fund, was willing manage the surplus TRA funds, following the approach noted above, for a 0.20% fee, which the group agreed was excellent. Next steps: write up investment strategy

June 22, 2021

Vestry Minutes



documents, determine the amount of surplus monies for each TRA fund that will be invested, develop procedures for recognizing the TRA fund investment accounts and recording the investment income for the TRA funds, and acquiring Finance Committee and Vestry approval for the investment strategies. Pete is targeting the June Finance Committee and Vestry meetings for review and approval. Note: the \$69,604 Maintenance Reserve Fund money market account at Sun Trust will be included in the new TRA investment account and the Sun Trust account will be closed.

❖ CARES Act Paycheck Protection Program (PPP) loan

As reported at last month's Vestry meeting, the SBA had approved our "forgiveness" application. The Diocese Council will debate proper recording of these "forgiven" loans at their May meeting. St. Peter's Finance Committee consensus is that the money should not be considered as regular "income" and therefore be included in the calculation of the Diocese Assessment. General Ledger postings to reduce the loan amount to zero and record the forgiven "loan" proceeds will await the Diocese Council decision, therefore the "loan" still appears on the balance sheet.

❖ Stewardship (annual giving) 2022 campaign planning

The Committee discussed and was excited about a potential new "Consecration Sunday" program for the Stewardship campaign presented by Jim Toedtman. The approach focuses on an all-parish brunch on Consecration Sunday, where parishioners present their "Estimate of Giving" cards. Several local parishes have successfully used this program in the past and their clergy are willing to assist St. Peter's in this endeavor. The approach envisions a "guest leader" who works with St. Peter's Vestry, committee chairs, stewardship team, clergy and church staff to organize and carry out a structured seven week campaign which focuses on God's grace & bounty and tithing concepts rather than St. Peter's specific budget challenges. This would be a fundamental change from prior St. Peter's stewardship campaigns, require high parishioner involvement, and with planning beginning during the summer. Jim, Kelly+ and other interested parties will continue to explore this program and consult with knowledgeable local clergy about possible customization for St. Peter's. Jim also shared statistics on our stewardship campaign results from 2018 through 2021 by pledge range and by pledge totals from 2014 to 2021. The average pledge has been consistent from 2015 through 2021 at around \$4.1K except for 2020 when the average was \$4.8K. One concern: the number of pledges in that period dropped from 187 in 2018 to 140 in 2021. 2021 pledges received to date are \$7K over the budgeted amount.

❖ Endowment Fund 2021 distribution

The Committee discussed potential uses for the 2021 distribution (approx. \$18K) from the Endowment Fund. Given the 2020 support for the New Ministry – Technology Driven [NM-TD] (live streaming) project and the current \$10K deficit in the Temporary Restricted Account (TRA) that supports the purchase, installation and fine tuning of the live streaming equipment, the Committee strongly recommends that the Vestry consider using the 2021 Endowment distribution to eliminate any deficit in the NM-TD TRA fund at year end or at project completion. All operating expenses associated with live streaming (paying consultants for preparing & operating the live streaming equipment for worship services and for any other activities of St. Peter's that have Vestry approval) have been and will be posted to the Live Streaming support operating budget detail expense account, which is part of the Worship summary expense category. 2021 – 2022 Strategic plan initiatives are also excellent candidates for the Endowment Fund distribution.

❖ CPA Review of 2020 financials

We have initiated the 2020 CPA Review by Holland, Bromley, Barnhill & Brett, LLP. Pete Kastner has assigned responsibilities for the items on the review checklist and is coordinating the review schedule with Shannon Brett. The Diocese of Georgia requires a full CPA Audit when there is a clergy transition. St. Peter's budgeted for only a CPA review in 2021 (2020 financials) with a full

June 22, 2021

Vestry Minutes



CPA Audit in 2022 (2021 financials). Hal Evans confirmed with Canon Easterlin that our current plans were acceptable to the Diocese.

❖ Mid-Year budget review and clergy transition

As previously noted, the Committee will conduct an in-depth analysis of income and expense trends for the first half of the year in July. The objective is to make any needed adjustments to achieve a balanced budget at year-end. Effective May 1, the Rector expense accounts will be posted with Rev. Kelly's compensation and benefits. The Associate Rector expense accounts will be used for the new associate going forward. The 2021 budget amounts for these accounts will be revised to reflect anticipated 2021 annual expenses.

The following resolution was duly adopted by the vestry of St. Peter's at a regularly scheduled meeting held on June 22, 2021, a quorum being present:

Whereas, Section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income a church-designated allowance paid to him/her as part of his/her compensation to the extent used by him/her for actual expenses in owning or renting a home; and

Whereas, The Rev. David Wantland is compensated by St. Peter's exclusively for services as a minister of the gospel; and

Whereas, St. Peter's does not provide the Rev. Wantland with a rectory, therefore, it is hereby Resolved, that \$2500 of each month's total compensation (annualized \$30,000) paid to David Wantland for calendar year 2021-2022 is hereby designated to be a housing allowance, beginning with his work on July 1, 2021.