

Present: Bill Carney, Tom Propst, Bryan Wester, Margaret Bearden, Rick Pearce, Jim Belvin

Guest: Bill Coffin

Absent: Al Snell, Don Halbert, Deacon Pam Hayes, Bill Bittenbender

The meeting began at 10:00 am with an opening prayer by Bill Carney

The following items were discussed and/or decided:

Bill Carney counseled the board members to be professional and courteous in our email exchanges with one another, as there had been some less than respectful messages of late.

Bill reviewed the Board Chair and Communicators meeting last week. There are a number of events coming up, including the parish homecoming lunch and ministry fair on September 7. He invited F&F members to participate in the fair with him if desired. He reminded us that the diocese will choose our interim rector and there is only one candidate at this time. We are arranging an interview with him. Redesign of the chapel annex is a topic of interest and discussion; **there is no intention to include overnight accommodations for homeless individuals.**

The July minutes were previously approved via email. It was discovered that pertinent information and decisions from the June meeting was omitted in those minutes. An addendum to these minutes will include that information for board members to review and approve.

Rick Pearce, Interim Treasurer, presented the July Statement of Activities and Statement of Financial Position. It was noted that pledge payments and revenues are under budget through July and will continue to be watched as we go forward; expenses are over budget year-to-date but the bequest that

funded the mortgage principal reduction payment still may not be accounted for properly. It was not an operating expense but has been included in the monthly mortgage expense account. There are continuing concerns regarding 2025 pledge receipts as well as 2026 pledge budget projections. Since St. Philip's is in transition, without a rector, a decline of 10-15% in pledge revenues is in the normal range of expected loss.

In discussion with other members, Rick listed the following reasons the recent audit was conducted, stating that a full CPA audit had not been conducted in the last 9-10 years; both our treasurer had retired and our rector of 7 years was retiring; a new priest would be hired; and our budget was approaching one million dollars. At no time was there hint of fraud.

Additional CPA work from the Jordan firm is directing transition of our Chart of Accounts to a GAAP approved version. Up to \$3000 for this work had been estimated by Jordan, but it appears that the fee will fall into the \$12000 total allocated in the budget for professional financial assistance.

Rick also presented an initial sketch of possible budget expenses, based on request indications collected from board chairs. A target for revenues is in the \$900,000 range. Paul Bailey from Strategy 2 reported that the team has no significant expense requests in the 2026 budget.

Tom Propst offered the following report as Stewardship Chair:

The next Stewardship meeting is planned for August 26th at 9am.

We continue to look closely at the offerings received against pledges for 2025. At this point, we are behind plan and behind historical data. This is not causing a cash flow issue, as the Treasurer reports that church spending is also under budget.

It is a concern because national Protestant data says that the departure of a well-liked senior pastor causes a decrease in giving. Because Father Eric announced his departure well in advance, some of our negative deviation may be caused by his announced departure even before he actually left. Because of the incredibly slow process for replacing a Senior Rector in the Episcopal Church, this interregnum may affect giving, attendance, and membership in 2026 and 2027.

His departure may have an effect on the number of pledges we receive for 2026, and on the total amount pledged. It is possible that some of this may be offset by an increase in unpledged giving of a wait-and-see nature by traditional pledgers. The Treasurer probably won't know that until the end of Q1 2026.

Stewardship continues to plan with the Boards for a Ministry Fair at 11am on Sunday September 7th. Tables will be set up, table-top presentations will be prepared, and short 2-minute presentations will be made by each Board. The best method for gathering interest and possible new mission volunteers is still under discussion at this moment. Mary Snell and Cynthia Davis are the leaders for this effort. It was recently suggested that Vestry also staff a table, as an opportunity to encourage future Vestry participation.

The lead-off stewardship letter to the congregation is planned for the week of September 7th. It has been written, and is being polished.

The first sermon on stewardship is planned for September 28th.

The pledge cards and the campaign 4-pager are planned to go out Saturday October 11th.

Margaret Bearden, for the Investment Committee, reported that the investment assets transferred to the umbrella of the Diocesan Foundation accounts held at Schwab have returned approximately 1.5% since inception on June 27. Investment funds still held at Vanguard are currently yielding 4.23% in the Vanguard Federal Money Market Fund. \$130,000 in cash reserves has been liquidated at Schwab and is being returned to St. Philip's to replenish cash reserves at Vanguard.

Jim Belvin, for Endowments, reported that his conversations with parishioners are continuing. He noted that most endowments will be created after a donor's death via a will or trust and that he expects more of our parishioners will take that approach rather than creating an endowment while they are living.

Jim also took the opportunity to discuss the misunderstanding of many parishioners regarding the letter sent to the parish with misleading audit comments. Deacon Pam's letter was very welcome, but Jim is calling on the lay leadership to send their own letter with a more positive report on the financial well-being of St. Philip's.

Bryan Wester reported on the new leak discovered on the main floor of the admin hallway last week. A group of handy parishioners worked on finding the leak and avoided hiring a firm that specializes in finding leaks (\$1500 minimum charge.) Thanks to Bryan, Paul Bailey, Bill Tomz, Mike Bearden and

Steve Ammons for pursuing the origin of the leak. Since this is the second faulty joint fitting discovered since the building was constructed, the Facilities team is pursuing appropriate communication with the original contractor, sub-contractor, and the contractor's insurance company through St. Philip's inside legal consultant to initiate subjugation with the original plumbing contractor. **A motion to spend up to \$500 to purchase and install an emergency shut-off valve in the parish hall/admin building was made by Paul Bailey, seconded by Jim Belvin, and approved.**

Bryan also reported that the yearly elevator inspection was successful, and the final "lightning strike" expense had been paid to Cavinder Elevators by our insurer.

In other business, Bill Carney has asked the board to consider proposing a smaller capital campaign that might fund an endowment for a special project that may be of interest to parishioners, including a columbarium (if we had decided to go ahead with that project).

Margaret Bearden requested that Paul Bailey, as junior warden, clarify to the vestry next week the contribution that the legacy financial team had made subsequent to the loss of the second treasurer in March of this year. Bob Fuchs was asked by the Vestry Executive Committee and Fr. Eric to prepare the financial statements for March, April and May and to train Karla Platt, our bookkeeper. When requested, additional assistance was offered by Margaret to help in the transition. The vestry had not been apprised of this and had received incorrect information. Paul was appreciative of the request and agreed to update the vestry with this clarification.

Bill Carney offered the closing prayer and the meeting was adjourned at 11:50 am. The next meeting will be held on September 9 at 10 am.

Respectfully submitted,

Margaret Bearden

ADDENDUM TO JUNE MINUTES

A handout was distributed to all F&F members identifying suggested restricted account actions.

Among those actions, it was agreed to close out the Lightning Strike account and move the \$81.06 balance to the General Fund, move net kitchen flood repairs invoices and insurance proceeds of \$6726.54 to Maintenance Reserve, move \$7076.90 from Cash Reserves to Memorial Garden/ Columbarium Account to cover remainder of Columbarium refunds, transfer \$2606.05 from the Acolyte Fund to the Memorial Fund (previously approved by Ricky Evans), and transfer \$5507.16 from the Rector's Continuing Education account to Cash Reserves since Fr. Eric was retiring.

Outside of these agreed upon actions by the Board, there was an approved motion to apply an estate bequest of \$68,552.96, then held in the Special Items account, to pay down our mortgage principal.

Bob Fuchs attended the meeting but was not included in those present.