

## Vestry Meeting Minutes 7/7/25

Present: Al Snell, Senior Warden, Paul Bailey, Junior Warden, Bill Happer, Ross Lively, Tracy Baltz, John Kennedy, Paul Palmer, Ellen Burnett, Rick Pearce, Donna Foster

Ex officio: Fr. Eric Mills, Rector, Deacon Pam Hayes , Chaplain

Absent: Craig Allan, Marygrace Barber

Guests: Liz Halbert, Sally Learned

Deacon Pam opened the meeting with a moving devotion. (see attachment)

### Outreach Board Presentation – Liz Halbert, Sally Learned

Proposal : Create a Hospitality/Outreach Center in the Chapel Annex. The board will be reconfigured to include members that would manage and volunteer in our efforts. A minor renovation would be required on the first floor of the Chapel Annex to better accommodate outside groups as well as enhancing the existing space for use by our parish family.

Anticipated Usage: Accommodation for non-profits that need meeting space. Create a cooling shelter in times of extreme heat for those without adequate cooling. Open a Cooling/Relaxation spot for the public during Southport summer events. AA would continue to meet in this space. Inside church groups that need to meet there could be scheduled if the parish hall and meeting rooms do not meet their needs.

Status of Project: No insurance concerns were expressed from the diocese. Members of Vestry Strategy Team 3 has been involved in the development of plans. An architectural firm has been contracted to provide a design. Competing bids for the construction will be obtained.

**Discussion followed including financing the project, the modification to the Annex which has already been approved.**

**Ellen Burnett made a motion for the Outreach Board to continue with concept development for creation of a hospitality/outreach center located in the Chapel Annex. Ross Lively seconded the motion. The motion passed unanimously** after discussion and strong support from vestry members. Getting this information out to the congregation in “one voice” is encouraged.

### Parish Finance Discussion – Rick Pearce

Rick discussed the financial position of the parish. A portion of the confusion results from deficiencies indicated by the Auditor.

### Audit: Results and Way Forward – Al Snell

Al provided an audit summary for the Vestry.

There was no indication of fraud or illegal activity reported. The auditor indicated full cooperation from all participants and was particularly complementary to our office staff/bookkeeping team of Lorraine and Karla.

Two key findings were noted and quoted:

“The accounting system has been largely set up with improper account types, reporting locations, and extraneous accounting transactions. Financial statements are not readily produced in a manner that would lead to their being easily read and understood, thus impeding oversight by the Vestry”

“The accounts payable process lacks consistency and controls for bill payments and needs to be improved to ensure better internal control”

The path forward involves full transparency, determining a plan to resolve the issues, reporting to the diocese with plans for resolution and executing the plan.

As of now, the issues are well understood and the current financial team is working on resolutions in accordance with the audit report recommendations.

To become compliant we need professional accounting assistance.

Discussion followed including the use of Realm accounting and a Bookkeeper.

**Paul Palmer made a motion regarding a current year budget modification to contract CPA services. In order to quickly and thoroughly address significant accounting deficiencies identified in the recent Audit, the Vestry allocates a redirection of available funds in the amount not to exceed \$9,000 dollars to contract for CPA professional to work with our Treasurer and staff to bring out accounting system into full compliance. Paul Baily seconded the motion which passed unanimously.**

Additionally a commercial appraiser will be contracted to address and correct net asset issues.

#### Rector's time – Fr. Eric Mills

Fr. Eric discussed the formation of the “Tiger Team”. A short term group to fix the dysfunction between Finance and Facilities and the Vestry. The group will use the Canons, North Carolina law regarding non-profits (Chapter 55) and the Bylaws of St. Philip's to resolve the issues. Outcomes will include defining what F&F actually does and does not do with regard to finance, investments and endowments and the Vestry's role with respect to fiduciary responsibilities. This needs to be resolved before the August Vestry meeting with a decision regarding the status of the F&F Board and the Vestry responsibilities.

The Tiger Team is made up of former senior wardens, Dana Richardson and Susan Chase, one vestry person, Tracy Baltz, one member of F&F, Tom Propst and Deacon Pam Hayes will be the facilitator. The goal is to approach this issue with new as well as experienced “eyes”.

Fr. Eric continued with defining the need for each ministry board to have a deputy chair. Currently, only the Worship Board has filled that role.

Fr. Eric commended the Vestry as a strong and talented group.

#### Status Update – Deacon Pam Hayes

Deacon Pam was notified by Bishop Skirving that in order to continue on the path of ordination to the priesthood, she would be required to spend a full year at another church for training. Deacon Pam has withdrawn her Candidacy for Postulancy. This will allow her to continue her role as the Director of Pastoral Care and her continued service to St. Philip's during this time of transition for the parish. Deacon Pam was commended by the members of the Vestry as her role is vital to the continued success of our church family.

#### Transition Update - Al and Paul

There was candidate for interim rector who has decided to go to another church where he had previous ties. The diocese is continuing the search.

As vestry members, Al reminded all that we need 4 new Vestry members, a Treasurer and a Rector Search Committee soon.

**Paul Bailey made a motion to adjourn the meeting. Donna Foster seconded the motion which passed unanimously.** Deacon Pam prayed the meeting out.

### **Devotion for Father Eric's Final Vestry Meeting**

*Scripture: Philippians 1:3–6 (NRSV)*

*"I thank my God every time I remember you, constantly praying with joy in every one of my prayers for all of you, because of your sharing in the gospel from the first day until now. I am confident of this, that the one who began a good work among you will bring it to completion by the day of Jesus Christ."*

As we gather today, I invite us to take a breath and honor this particular moment in which we honor and thank Father Eric, as one who began a very good work among us. While we are at a threshold between all the grace we've known and the grace still unfolding.

Today we mark Father Eric's final vestry meeting, with hearts full of gratitude. We've walked alongside a priest who has given his whole self to this community. He's led with faith, steadiness, and love—never shying away from hard truths, yet always guiding us with compassion. I've watched him walk with parishioners in grief, celebrate with us in joy, and remind us, even in ordinary moments, that God is always with us – most especially, that God is love.

In my own ministry, I've learned so much from Father Eric—not just through liturgy and leadership, but through the quiet ways he's cared: the check-ins, the pauses to pray, the presence he brings when someone is hurting or unsure. That kind of love leaves a mark on a community. It teaches us how to be Church.

Now, as he enters this new season of retirement, we offer not only thanks, but a blessing:

May rest meet you with open arms.

May each morning be gentle, and each day reveal fresh delight.

May you never doubt the legacy of love you've planted here.

And may God's peace carry you forward, steady and strong.

Amen.