

St. Luke's Episcopal Church, Sister Bay
Vestry Meeting, Dec. 19, 2022
MINUTES

The meeting convened at 4:33 p.m. via Zoom. Attendees were Frank Maxwell, Betsy Rogers, Paul Neuman, George Hughes, Susan Hoffert, Trudy Jischke, Lori Holton, Carol Heil, Karen Malzahn, Carolyn Finch, Norma Bramsen, and Pete Thelen

Opening prayer

Carol offered the opening prayer.

Procedural

The December agenda was approved as were the November minutes.

Interim Rector's report

Submitted. Frank reported that the investment committee met with the investment representatives at Nicolet Bank. They assured the committee that they could maintain the Fidelity account at a fee of .5%, which is better than the Diocese offers. They will direct the investments according to our wishes but overall are cautious in their approach. We can meet with them monthly to keep up with the results. Doug Schwartz contacted Frank via email and indicated he is eager to withdraw from overseeing that investment. The committee is looking into rolling over the CDs into treasury bonds which can be done at no or very minor penalty.

Paul asked about Nicolet's performance and Carolyn advised that we need to consider their performance and review what we what done with the monies. Karen recommended that the investment committee rather than the vestry determine the strategy. Betsy suggested we review the recommended strategy during the Zoom call in the first week of January when we meet to discuss the budget.

Senior Warden's report

Betsy read the Housing Resolution for 2023 which provides the interim director an annual compensation of \$58,200 of which \$15,000 is a housing allowance. She moved for approval. Carolyn asked about the wording and Betsy explained this is a Diocesan resolution. Karen noted we will need to pass a similar resolution before the new rector begins. George seconded the motion. Motion carried.

Betsy reported she asked Stan Hoffert, a retired lawyer and member of the congregation, for advice regarding the lot line. He advised we find the contract for the sale from when the property was purchased in 1992. The key will be that the contract is consistent with the deed. It is believed the contract is in the safety deposit box. Carolyn will get the key to Paul.

The Diocese strongly encourages us to form a transition team to help the new rector settle in. There is a checklist covering such things as meals and office cleaning.

Housing is not an issue at this point as the new rector has a temporary place to stay. Betsy asked if anyone wants to be on the team or has a suggestion for team members to contact her. Only four to five people will be needed. Frank said he would be happy to advise.

She also noted the new rector wants information on the public events that St. Luke's is engaged in. (Some of these are listed in the Parish Profile.) These include:

- Community rummage sale
- Christmas tea and birthday parties at Scandia
- Doxology in Ephraim
- Fall Fest parking
- Concerts in the Canterbury Room

All parties have signed the contract and it is official — we have a new rector.

Betsy will ask if the new rector wants an office in the front or back of the upstairs rooms.

Junior warden's report

Mouse traps have been set. Wreaths were put up in usual locations. George asked that Ross Holton be added to the list of people who can make purchases at Jungwirth's Hardware Store. Ross has become very active in helping maintain the buildings, including fixing the rug in the office. George, Ross and Doug Schwartz also properly disposed of the old paint and building supplies that were stored upstairs.

George noted that we need air and heat on the second floor for the new rector's office. He spoke with Wulf Brothers because we cannot use the existing furnace from the first floor for that.

He also contacted the Creative Sign Co. to replace the sign outside the church so it will be ready on Day One of the new rector's arrival. Betsy will get the wording to George by January.

He pointed out he needs definitive direction on remodeling to allow the contractors to begin work as that work will take time. Betsy will have a long conversation with the new rector and get more information on what will be needed.

George added he would like to have the carpet in the treasurers' office professionally cleaned.

Treasurer's report

Karen informed the group she has contracted COVID as so could not enter the church to update numbers and send out official reports. Therefore the treasurers requested a Zoom meeting at the end of the first week in January to finalize the budget and look at the monthly reports for November and December. The vestry agreed.

She did send an update via email. Even with the higher salary rate for the new rector and a nine-day overlap in rector salaries, we expect that the financial transfer from unspent 2022 funds will be robust enough to cover the \$25K subsidy for rector costs and the full basket of outreach costs normally covered by investment withdrawals. This is particularly important since the decline in value of our investments means that a 4% withdrawal would not cover all of these costs in 2023. Leaving our investments untouched in 2023 will give them time to recover as much as the markets allow. We also expect the transfer to cover rector moving expenses, included in the 2022 budget at \$15,000. We hope there will also be some money to put toward building projects (adding a second HVAC zone and converting the oldest bathroom into a sacristy for the altar guild) but we are not sure. We need the year-end data.

Every year this team has done the budget, we have kept the deficit to under \$10,000. St. Luke's has a track record of being able to cover that level through unspent funds and unanticipated extra income (including pledges made after Dec 31), and our new budget will stick to that target. In spite of the decline in many people's financial nest eggs during 2022, the 2023 pledge income now looks to be almost the same as the amount pledged last year, and this will help. We expect to set the income numbers at pledges made in this year's campaign and actual numbers for 2022 income received from Givers of Record, Visitors and Plate.

This income transfer from 2022 is a unique opportunity which we do not expect will recur. Therefore, in 2024 we will be back to depending on our investments to fund the outreach-related basket and to subsidize rector costs. Every year we rely on new pledgers to make up for pledgers who leave, so the new rector's ability to attract more new members than usual, as well as to create new income streams, will be vital to ending the subsidy for rector costs. We also need either a significant market recovery or new bequests to restore our investments to their 2021 levels, which is where they need to be to sustain funding outreach at current levels and the rector subsidy. And that assumes markets will stabilize so we can rely on annual investment returns of 4% or more in the years to come.

Stewardship

Paul reported a total of 38 pledges have been made with 11 increasing their donations and 5 new pledges made. The total came to \$127,640. Some pledges are still outstanding so that number could increase.

Outreach

The reverse Advent Calendar has been successful—donations continue including some from non-members. We received \$500 from Door County Medical Center in appreciation for allowing workers to park in our lot. We anticipate a matching \$500 from Boldt Construction as well. George suggested we use that money to buy coupons from Piggly Wiggly for the Door of Life Food Pantry.

Pete noted we have some money left in the Outreach budget and that it will be a priority for the committee to allocate it. Karen and Carolyn will give him that number.

Old Business

Carolyn asked about the status of converting a bathroom for use by the Altar Guild. George cautioned we need to check building codes and consider the cost. Lori said there is no rush.

New Business

The Zoom call for the treasurers and investment committee reports will be held on Sunday, Jan. 8 at 2:30 p.m.

The annual meeting will be held on Sunday, Jan. 22. Susan notified the vestry she will be out of the country that day. Therefore reports need to be in to her by Jan. 5 for the annual report.

Frank offered a prayer and the meeting was adjourned at 5:37 p.m.

Respectfully submitted,
Susan Hoffert
Vestry Clerk