

Annual Meeting



January 21, 2018

St. James Episcopal Church

Baton Rouge, Louisiana

ANNUAL MEETING

January 22, 2017

The 2017 Annual Meeting of St. James Episcopal Church, Baton Rouge, LA was convened in the church following the opening prayers of the 8:00 AM service with Gerry Sulzer, Senior Warden, presiding.

Mr. Sulzer presented the Enabling Resolution setting forth the rules for the election of candidates to the Vestry and Associate Vestry. It was moved and seconded that the Enabling Resolution be accepted. Without objection, the motion passed.

Mr. Sulzer presented the nominated candidates for Vestry and Associate Vestry who were present at the service.

Nominated for Vestry (six to be elected)

Pat Broderick
Bill Campbell
Steve Fair
Barbara Irwin Garon
Lesley Gladney
Lee Griffin

Kyle Landrum
Philip Martin
Jay Noland
David Rollins
Anna Catherine Soule
David Warrington

Single Slate Presented for Approval for Associate Vestry:

Ben Dampf
Robert Heroman
George Holmes
Summer Keane

Laura Rempert Kraeuter
Charlie Provenza
Tracie Way
Catherine Hall Wilson

After the ballots were collected, the church service resumed. The process of presenting the Enabling Resolution, the candidates and the voting was repeated at the 10:30 service. At the conclusion of the 10:30 service, the congregation reassembled in Bishops' Hall and the Annual Meeting reconvened.

Mr. Sulzer welcomed the parishioners and recognized the clerk, Jane Christensen, to present the minutes from the 2016 Annual Meeting, which were included in the Annual Report handed out. Jane Christensen asked for corrections to the minutes. As there were none, the minutes were approved as presented in the report.

The Senior Warden report to the Parish Meeting was made. The full report is included with these minutes. Highlights of the report were as follows:

Changes in church service times that occurred during 2016
The hiring of Hannah Rothermel as the new Youth Director
The campus master plan status
Recognition of staff and lay volunteers
Thank you to lay ministry groups
Thank you to Vestry, Vestry Officers and Fr. Reynolds
Acceptance of his new term as Sr. Warden for 2017
Encouragement to all members to be an active participant in one of the many ministries.

Susan Rolfs and John Sykes made a presentation on the upcoming 2017 Gumbo.

Josh Pesses commented on the 2016 Treasurer's Report included in the Annual Report. He particularly noted that we cannot continue to spend more money than we have.

Fr. Joe Reynolds gave the Interim Rector's report. The complete report is included.

The following nominees were elected to the Vestry:

Barbara Irwin Garon
Lee Griffin
Kyle Landrum
Jay Noland
Anna Catherine Soule
David Warrington

The Associate Vestry slate was approved.

Gerry Sulzer recognized Retiring Vestry Members and presented each with a certificate for a key ring in appreciation for their service. Retiring members were Jane Christensen, Rip Collins, Chris Frink, Tricia Henderson, Josh Pesses, and Tom Wade.

There being no further business, the meeting was concluded with a blessing.

Respectfully submitted,

Jane Christensen
Clerk

2018 Sr. Warden Annual Meeting Introduction

Dear Fellow Parishioners

2017 was a productive year for your Vestry and Staff. I want to highlight a few of the major accomplishments which were made during the past year. Significant progress was made in improving our staffing and administration to better serve the congregation and ministries of St. James. Three staff positions were eliminated and two were added along with some outsourced functions to supplement needed skill sets while also reducing staff costs. Also, four new Departments and two Committees of the Vestry were created to better align the organization of the Vestry with the mission of St James. Each of these subgroups are staffed by a Staff Resource person and at least one Vestry member who serves as the chair and they function to coordinate the work of the Vestry and Church staff. This Vestry reorganization is just starting to gain traction.

A Campus Plan was completed by CPEX at the end of 2016. During the past year, we have focused on implementing three of the near-term recommendations – Church restoration, Killgore Hall disposition, and parking improvements. A capital campaign that was made in early 2017 raised \$2.21M in pledges for the repair of our Historic Church. Durable Slate was contracted for \$1.3M to repair the exterior. This work is very near completion and scaffolding should be removed by the end of the January. We are obtaining bids for the repair of our organ. A committee has been tasked with developing the scope and cost of the other interior repairs. These latter repairs will be funded by the remainder of the capital campaign funds.

Killgore Hall was vacated by leasing space to Kids Orchestra on the third floor of the Ministries Building and moving the Day School offices to spaces in Atkinson Hall. The Kids Orchestra lease generates sufficient income to offset the costs of maintaining their office space. A committee of the Day School has been tasked with deciding what to do with the building. Options being considered are demolition with temporary conversion to playground use or conversion into an early learning center for Day School use. The Day School will provide the funds needed to accomplish the option that is chosen.

The Property Committee has been asked to develop a plan and cost estimate to improve our parking lot layout and access control. The PC is also pursuing installing a curb cutout and canopy to improve handicap access from the curb to the covered walkway at the handicap ramp located on the north side of the church building. Both of these tasks are in early stages.

Finally, I wish to thank all our lay volunteers and staff that provide service to/for our Congregation throughout the year. There are over 50 lay ministry groups whose volunteers number in the hundreds. While these volunteers and staffers go unnamed today, I acknowledge your efforts and thank you for your help in accomplishing our mission and in creating great fellowship. I also wish to thank the Vestry for their service this past year, and especially my Vestry officers for their guidance and support: Bill Hines, Junior Warden; Manette Sammons, Clerk; Josh Pesses, Treasurer and Trey Roberts, Chair of the Finance Committee. And most of all, I wish to thank Fr. Joe Reynolds for his wisdom, his guidance, and his understanding.

It has been an honor and a pleasure to serve as your Sr. Warden over the past year. This meeting ends my three-year term on the Vestry and 2017 term as Sr. Warden. But I am happy to inform

2018 Sr. Warden Annual Meeting Introduction

you that our Vestry has given me the honor of serving a third term as Sr. Warden in 2018. This decision was made to provide a smooth transition between our interim and permanent rectors.

In closing, it is my sense that the revitalization of St. James continues. I see it in increased Sunday church attendance, baptisms, confirmations and overall fellowship. Member participation in the adult choir has significantly rebounded. And we have finished the year with an uptick over 2016 in total annual contributions. This breaks the downward trend that has persisted over the past several years. A lot of good things are happening at St. James and I encourage each of you to join in by becoming an active participant in one or more of our many ministries. You will not be disappointed in the reward you will gain.

2017 TREASURER'S REPORT

In January 2017, I submitted the Treasurer's report for 2016 on behalf of Finance Committee Chairman, Trey Roberts, and the entire Finance Committee for St. James Episcopal Church. At the time, we recognized that the recently-completed 2016 fiscal year represented the first year of a transitory period for the Finance Committee as well as the broader Church. While we expected 2017 to be another year of transition from a financial perspective, we were hopeful that under the leadership of our Clergy and Lay Leadership, St. James would be able to make tangible steps forward in improving our financial and operational footing.

We indicated then that we would continue to keenly monitor our expenses and we presented a call to action to our Parishioners, requesting that we all strive to increase our pledge income in 2017 and in the years to come. I am pleased to report that St. James answered the call. I submit this 2017 Treasurer's report with a sense of pride in our Church and deep gratitude for our Clergy, Lay Leadership, Employees and Parishioners.

As a reminder, The Vestry and the Finance Committee work hard to operate within a balanced budget, though we recognize that our ability to do so may vary from year to year. As we approached our planning for 2017, based on our 2017 Stewardship Campaign and expense projections, we anticipated that both our revenue and expenses would be up slightly from 2016, resulting in net loss \$2,000, just shy of a breakeven budget.

For 2017, our pledge income was \$1.029 million, \$74.2 thousand below our budget of \$1.103 million. However, for the first time in several years, pledge income showed a slight increase over prior year levels. Unpledged income was \$127.0 thousand, well above budget and 2016 levels. Total contributions of \$1.267 million were \$66.9 thousand below budgeted levels, but came in \$57.7 thousand above last year. Total revenue was \$1.697 million, \$79.9 thousand shy of plan, but was \$12.8 thousand above last year's revenue.

2017 was another strong year for operating expense controls. It is worth noting that with some staff departures during the year, the Clergy and Lay Staff, with a significant contribution from our Senior Warden and Vestry, not only maintained many of their prior responsibilities, but willingly stepped up to accept new ones. Despite a heavier work load, we were able to successfully accomplish "more with less". This was an extraordinary effort, made possible by a group of focused and dedicated stakeholders. Top to bottom, they all deserve our thanks and appreciation.

Total operating expenses of \$1.686 million were \$92.9 thousand dollars below our budgeted levels for the year and \$80.2 thousand below last year. The only expense line item in our control that came in meaningfully over budget was maintenance expense, with 97% of the overage attributable to unavoidable elevator repairs.

The Church ended 2017 with a net operating profit of \$11.1 thousand. This compares to a budgeted loss of \$1.9 thousand and a loss of \$81.9 thousand in 2016. After adjusting for extraordinary revenue and expense items, including borrowings from Trust for cash flow needs, our income after extraordinary items was \$165.9 thousand.

We have included a snapshot of our unaudited 2017 financials for your review below, comparing results to the 2016 fiscal year as well as versus our 2017 budget. For illustrative purposes, we have used green to denote where our performance compares favorably and red where it compares unfavorably. We would note that the non-operating line items have not been finalized at this point.

	2017	2016	2017 Actual vs. 2016	2017 YTD Budget	Actual vs. Budget
Total Revenues	\$1,697,495	\$1,684,646	\$12,849	\$1,777,349	(\$79,854)
<i>Y/Y Growth</i>	0.8%				
Personnel Expenses	\$949,141	\$1,034,106	(\$84,965)	\$1,018,961	(\$69,820)
Diocesan & Other Expenses	\$182,890	\$184,990	(\$2,100)	\$181,030	\$1,860
Parish Program Expenses	\$35,671	\$36,797	(\$1,126)	\$37,550	(\$1,879)
Christian Education Expenses	\$19,224	\$23,836	(\$4,612)	\$32,400	(\$13,176)
Music Expenses	\$73,270	\$83,900	(\$10,630)	\$85,800	(\$12,530)
Office & Admin Expenses	\$169,604	\$182,425	(\$12,821)	\$180,700	(\$11,096)
Communications Expenses	\$5,028	\$5,192	(\$164)	\$6,000	(\$972)
Maintenance Expenses	\$119,756	\$92,911	\$26,845	\$102,872	\$16,883
Utilities Expenses	\$127,507	\$117,641	\$9,866	\$128,500	(\$993)
Lay Ministry Expenses	\$4,297	\$4,794	(\$497)	\$5,500	(\$1,203)
Total Expenses	\$1,686,387	\$1,766,591	(\$80,204)	\$1,779,313	(\$92,926)
<i>Y/Y Growth</i>	-4.5%			593,063.57	
Net Operating Total	\$11,108	(\$81,945)	\$93,053	(\$1,964)	\$13,072
Non Operating Revenue	\$303,046	\$311,002		\$0	
Non Operating Expenses	\$148,278	\$411,219		\$0	
Non Operating Other	\$0	\$422,508		\$0	
Net Total After Extraordinary Items	\$165,876	(\$604,669)	\$93,053	(\$1,964)	\$13,072

We have a responsibility to maintain our campus for current and future Parishioners and in 2017, we began to address some of the most critical capital improvement items identified in the Campus Master Plan. To that end, in 2017 we raised over \$2.2 million dollars as part of a capital campaign, with the goal of restoring and improving the long-overdue exterior and interior conditions of our historic Church. As of early 2018, most of the exterior work has been completed by our restoration contractor, Durable Restoration, and we anticipate completing the bulk of the remaining repairs and improvements in the first half of 2018.

We are in the process of completing our budget for 2018 and expect to present a first draft in February at the annual Vestry Retreat. While we are encouraged by the results of our 2018 Stewardship Campaign, we still have work to do. It is very important that all Parishioners who intend to make a pledge for 2018 do so as soon as possible so that we will have that information for the budget.

The Investment Committee of the Church continues to review and monitor the investment of our endowments and other funds and we did experience solid gains from our investment portfolio in 2017. Our line of credit (which currently has a balance of \$1,499,999.90, of which \$250,000 is for St. James Place) is unchanged from last year. For those who may not recall, this line of credit was recommended by our Investment Committee for capital needs given the low interest rate environment at the time and to avoid liquidating our investments when the market was poised to grow. Given our solid investment returns, the Vestry recently approved a plan to begin paying down some portion of the line of credit over time, yet another move that will ensure that our financial position will continue to improve.

We continue to engage our external Financial Consultants and Auditors. We have already implemented many of their suggested improvements for our processes and protocols and will look to undertake additional initiatives in 2018 to further strengthen our efficiency and financial oversight.

As we look to the year ahead, we do so with great optimism. The transitory period continues, and we hope that all of you will continue to support St. James in a manner that further enhances the well-being of our Church and its many Ministries.

I thank you for the opportunity to serve as your Treasurer. If you have any questions or concerns, please do not hesitate to contact me.

Respectfully submitted,

Joshua L. Pesses, Treasurer

St James Episcopal Church

2018 Stewardship Pledge Report

This report, in a bit more detail, will be presented to your Finance Committee and Vestry so that they can finalize a 2018 budget that will provide for our Clergy and staff, maintain our buildings and grounds, and support the multitude of programs that St James sponsors.

275 of our Parishioners, so far, have pledged to provide \$1,023,864 to St James in 2018. Our average Pledge is about \$3,700. This compares with the 334 for \$1,157,682 that were received last year, with an average of about \$3,500. It is interesting to note that one third of our Parishioners (92) increased their Pledges and we had 18 new Pledges this year. The net decrease is from those who have not Pledged as yet this year.

These are raw numbers. Beyond raw numbers I see a stirring in our Congregation. I see anticipation building; some new faces in our pews; four Baptisms on one Sunday; a Vestry Retreat with Associate Vestry participation. Good things are happening at St James.

It is a blessing to be part of it.

Search Committee

Report for the Annual Meeting, January 21, 2018

The Search Committee began its work with the parish wide survey in September. Over 300 parishioners responded. Listening forums followed to receive more personal feedback from the congregation. Personal interviews with clergy and staff completed the initial work to prepare a parish profile and questionnaire for the national church's website. Canon Shannon Manning presented the results of our parish wide survey in a town hall meeting and we are very grateful for the work the Diocesan office is doing to help us in our search process. The parish profile and questionnaire are now complete and the profile is available on the church website.

The parish has been very helpful with nominations of potential candidates for rector. All of the nominations must go to the Diocesan office for screening. Once, the committee has received approved names of candidates from the diocesan office a letter and profile will be sent asking for their interest in being a candidate for rector at St. James. As we receive acceptances from potential candidates the committee will be charged with the responsibility of learning as much as possible about the candidates. Skype interviews will follow before the selection of final candidates. All information about potential candidates is confidential. There is no timeline for completion of this process but we are optimistic that a new rector can be selected by late spring.

The search committee continues to ask for your prayers as we proceed with the search for our new rector for St. James Church.

Helen Campbell and Trey Roberts, Co-chairs

John Sykes

Charlie Frey

Jay Noland

Andy McCall

Bob Israel

Catherine Harrell

Martha Vasquez

Susan Rolfs

Bahin Leonard

Julia Spaght