

Minutes of Meeting
St. Nicholas Parish Council
20 October 2011

Present: Fr. V. Shemchuk, B. Rhenish, J. Kalvesmaki, W. Corcoran, P. Vlasov, I. Burgener, S. Tolstoy, C. Vangellow, W. Alesevich, I. Panyutin, T. Keefer (phone), M. Poutiatine (phone)

Absent: S. Moser, J. Stepanchuk

Guests: M. Swezey, M. Pietrzykoski, G. Nartsissov, K. Miller

Opening Prayer – 7:30.

Pastor's Report - Fr. Valery praised Michelle Smith and Irina Panyutin for their organization of an excellent Fall Festival. Net revenues exceeded \$28k. He called it a “joyous moment” that was uplifting and drew a wide group of parishioners together. Father went on to voice appreciation for the efforts made by Joel Kalvesmaki and the ad-hoc All American Council Resolutions committee. He also highlighted the arrival of the miraculous icon from Hawaii on October 23rd.

Old Business

Fall Festival - Irina P. commented on the financial success but noted the difficulty in recruiting workers. Saturday and the cleanup on Sunday evening were especially frustrating due to lack of help. We overburdened a small number of volunteers particularly in the food service. Also, she suggested that we begin to plan in January for the next Festival. Catherine V. reflected that it caused several people to tour the Church and ask insightful questions. She praised it as an evangelization tool. Walter A. observed that it was the most organized event that he has seen in years. Barbara R. queried though whether we could sustain it in the future with so few volunteers.

Approval of 15 September 2011 Minutes –Minor changes were noted and accepted. There was further clarification of the Summary dated 22 August (Meeting with Metropolitan Jonah). The paragraph on page three was amended as follows: Delete the sentence –“No decision was made.” Insert – “The Metropolitan determined that the ground rules set forth in the summary should be included in the records as follows: ...”. There was also a revision to page four, regarding the renovation of the kitchen. Sentence two should read, “S. Tolstoy suggested the proceeds of \$5,000 from the Gift Corner be considered for contribution for a kitchen renovation”. The Minutes were approved as amended.

Search for New Dean – The Committee was scheduled to meet this Tuesday but the candidate, Fr. John Perich deferred because of a hectic calendar in preparation for the AAC. No re-schedule date has been set.

Ad Hoc AAC Committee - Joel K. asked that this work be considered in the context of the universal church and the spiritual commands of the By Laws. He then recounted a chronology of the resolution process. The process of consultation with parishioners, he considered extensive despite time restrictions over the summer. After submission of the resolutions, Joel spoke at length with Fr. John Erickson, the Resolution Committee deputy chair. Father John voiced concerns about the language and suggested processes, particularly related to the Joy Sunday and Sexual Misconduct resolutions. Joel K. expressed that these concerns had been addressed in the proposed Revisions. They have been resubmitted to Fr. Erickson and the AAC Resolutions Committee. Although a Parish Council email vote had confirmed their support before resubmission, Joel K. sought the Council's approval of the Revisions dated 10/12/11 for submission to the Resolutions Committee. Walter A. made a motion, Barbara R. seconded. It was approved with no abstentions or objections. Catherine V. and George N. commended Joel K. and the entire committee for their detailed handling of the resolutions.

Annual Meeting – Barbara R. discussed the draft letter announcing the 13 November meeting. A further revision was sent out in the past 24 hours for suggested edits. Marina P. voiced support for the edits provided by Joel K. Barbara R. would finalize them and issue before the required 3-week advance notice.

Irina B. will be organizing a lunch. Barbara R. asked Joel K., as Vice President, to head the Nominating Committee. He accepted and others who volunteered to assist were: Fr. Valery, Marina P. and Tim K. They are charged with organizing the elections, which includes the collection and posting of nominations, preparation of ballots, and counting of votes. Barbara R. reminded the Council that Committee (and parish organization) reports would be made available but they would not be making presentations at the Annual Meeting. Only questions about the reports will be entertained during the meeting.

New Business

Special Events - Irina B. reported on upcoming plans including:

- Nov. 4th dinner – for the homeless
- December Clothing/Blanket drive – for the homeless in partnership with Pastor Wade and Friendship Place
- Nov. 6th – Veterans breakfast
- Nov. 13th – Annual Meeting lunch

Buttinelli Properties – Barbara reported a conversation with Sandy Buttinelli. The option of renting the houses has been removed by them. They prefer to sell. The parish may make an initial offer but that opportunity will end on 1 January when they place these properties on the market.

Committee Reports –

Treasurer - Tom Sigler, as Deputy Treasurer, substituted for John and began with the Proposed Budget 2012. Its presumptions are captured in the Notes. He reviewed the Supplemental Data which is the detailed Line Items for the consolidated Budget. In particular, he cited:

- \$12k repairs needed to prepare the rectory for a new Dean

- \$30k OCA obligation or tax is calculated on a census count of 283 people
- \$60k utilities are a function of old, large buildings with inefficient elec. & HVAC

The end result is an expected \$52k deficit for 2012, while our projected deficit for 2011 is \$25k . The difference is based on larger expenses once a Dean arrives. Currently, we are tapping reserves for \$4k per month simply to pay bills. This is rapidly diminishing the reserves.

Various ideas were floated for revenue generation like the online donations and an expanded Gift Corner. George made a plea for a Council plan of action on fundraising. He feared that we were drifting into bankruptcy and could not wait until a Dean arrived.

A motion was made to approve the Budget by Walter A. and seconded by Catherine V. It was approved unanimously with no abstentions.

Joel K. asked that it be made readily available to parishioners. Various suggestions were offered for the best publication. The consensus was to post a copy on the bulletin board and make a few hard copies available at the Gift Corner.

Tom provided three resolutions (appended to these minutes) from the Budget and Finance Committee to keep our fiscal processes clear and in order.

#1 – This seeks to end the confusion on the term Capital Fund and also re-classify some others. Simultaneously, their funds will be kept segregated rather than co-mingled. Walter A. moved for approval, Joel K. seconded. The vote was unanimous acceptance.

#2 – These actions are housekeeping required after closing the Wachovia accounts. In addition, it transfers \$30k from the Reserve Fund into Operating Funds because of the projected deficit for the balance of 2011. Walter A. moved the motion, Joel K. seconded. Unanimous approval.

#3 – This presumes continued deficits for 2012 and seeks Council approval to transfer \$ 25k from Reserves to Operating Funds as of January 1st. Walter A. moved for approval and Joel K. seconded. Unanimous approval.

Tom reviewed the Profit & Loss statement for the month of September (appended to these minutes). Of particular note were:

- #45120 Unrestricted Gifts (collection basket) – a significant drop versus the same time last year
- Net Income – on the last page should read (\$4580) rather than (\$1580)

Personnel – No report.

Facilities – Catherine V. noted that a few minor repairs were occurring as scheduled in the rectory.

History & Archives – No report.

Stewardship – Marina P. recounted an examination of parish census. As of October 20, approximately, 237 can be considered as parishioners by the OCA definition. However, of those only 179 are eligible to vote.

She discussed the need for updated information on all parishioners, whether this is an “application” or a parish record. Several questions arose. Joel K. suggested referral to the Legal and By-Laws Committee. Walter A. moved that ,“ the Stewardship Committee meet jointly with Legal/By Laws Committee to determine qualifications for parish membership. They should report to the Parish Council at the February meeting.” Joel K. seconded. Unanimous approval.

Motion to Adjourn -Walter A. offered a motion. This time Marina P. seconded. Unanimous approval was given at 10:10.

Closing Prayer

Next Meeting – 17 November 2011

Recorded by Bill Corcoran
22 October 11

Attachment to St. Nicholas Parish Council Minutes of October 2011

RESOLUTION #1 Based upon the Fund Accounting Initiative, which brought an end to the comingling of Cathedral Treasury funds, the St. Nicholas Cathedral Parish Council divided the parish treasury into various funds. As of December 31, 2010 the funds were aligned as follows:

Capital Fund		
Major Repair Fund	\$	36,774.07
Property Acquisition Fund		200,000.00
Un-earmarked (becomes RESERVE)		<u>104,245.36</u>
Total Capital Fund		\$ 341,019.43
Long Term Endowment Fund		
Unrestricted Bequests	\$	55,562.41
Gift Corner Savings		<u>38,966.36</u>
Total Long Term Endowment		94,528.77
New Annex Fund		41,541.79
Operating Fund – <i>Pledges collected in 2010 for 2011</i>		<u>17,045.57</u>
December 31, 2010 Balances as per Treasurer’s Report		<u>\$ 494,135.56</u>

The Capital Fund is a carryover term from the St. Nicholas Cathedral Treasury history. Historically, this comingled fund contained any surplus monies from operations, bequests, gift corner profits and any other Cathedral monies on hand. The term has caused confusion as to the fund’s current purpose. To improve transparency, and to avoid conflicting terminology, St. Nicholas Cathedral’s Treasury should hereafter be divided and aligned as follows effective January 1, 2011:

GIFT CORNER FUND – This fund was separated from the Long Term Endowment Fund in 2011. The fund contains the cash generated by the Cathedral Gift Corner sales activity plus the fair market value of the inventory held for sale. The Gift Corner personnel manage the inventory purchases and sales with oversight by a Parish Council member. The fund pays a facilities use fee to the Operating Fund to reimburse the Cathedral Operating Fund for the Gift Corner’s share of the building operation costs. The fund has its own savings and checking bank accounts which earn interest.

LONG TERM ENDOWMENT FUND - This fund contains the bequests and legacies made in 2009 and thereafter that are unrestricted at the time of donation. The Parish Council may authorize a transfer or a loan of these monies to other Cathedral fund(s). The fund has its own separate bank account which earns interest.

MICHAEL SHANDOR FUND - This fund is a restricted bequest from the late Sub-deacon Michael Shandor originally within the Long Term Endowment Fund that requires any disbursements be solely for religious education purposes. Both the Parish Council and Andrea Lutov (representing the Shandor Estate) approve all disbursements.

MAJOR REPAIR FUND - This fund was formerly part of the Capital Fund. The fund holds monies intended for Cathedral owned property repair and maintenance projects whose estimated costs exceed \$7,500. (Cathedral owned property repair and maintenance projects costing less than \$7,500 are paid from the Operating Fund described below). The fund's revenues are: (1) those donations specifically earmarked to this fund, (2) the monies voted to the fund at the Cathedral Parish Annual and Special Meetings, and (3) such transfers and loans from other Cathedral funds that the Parish Council may authorize. The fund has its own separate bank account which earns interest.

NEW ANNEX FUND - This fund contains the monies specifically earmarked for the Cathedral's New Annex building project. The fund's revenues are: (1) those donations specifically earmarked to this fund, (2) the monies designated by vote at the Cathedral Parish Annual and Special Meetings, and (3) such transfers and loans from other Cathedral funds that the Parish Council may authorize. The fund's disbursements are architectural fees, soil sample fees, building permits and licenses, specified development director costs, and such other disbursements that the Parish Council may authorize and designate as belonging to the New Annex building project. The fund has its own separate bank account which earns interest.

OPERATING FUND – This fund measures the Cathedral's actual day to day receipts and disbursements to the Cathedral's Annual Operating Budget by category on a calendar year basis. The fund's revenues are: (1) the donations designated by parishioners for the Cathedral's day to day operations, and (2) such transfers and loans from other Cathedral Funds as the Parish Council may authorize. The fund's disbursements include the operating expense designated in the Cathedral's Annual Operating Budget, including but not limited to payroll, utilities, maintenance, office, and repair project costs that do not exceed \$7,500 per project, such other disbursements that the Parish Council may authorize and designate as belonging to the Operating Fund .

During the calendar year, the Operating Fund bank account balance is kept at the minimum level required by the bank to minimize bank service fees.

At the close of business on December 31 of each year, all accounts within the Operating Fund *in the Cathedral's computerized financial records reset to zero* to begin the next calendar year accounting cycle. Any year-to-date Operating Fund surplus or deficit balance that exists on December 31 in the computerized records is closed into the Reserve Fund. This reset allows for the next year's financial cycle to begin.

If the Operating Fund has a surplus (receipts exceed disbursements) on December 31, the Parish Council will authorize a bank transfer from the Operating Fund to the Reserve Fund in the amount of the surplus. If the Operating Fund has a deficit (disbursements

exceed receipts) on December 31, the Parish Council will authorize a bank transfer from the Reserve Fund to the Operating Fund in the amount of the deficit.

Because of timing differences between the determination of the surplus or deficit and the Parish Council authorization, the transfer will occur in January of the following year. At no time will the Operating Fund bank account actually have a zero or negative balance.

PROPERTY ACQUISITION FUND – This fund was formerly part of the Capital Fund. At an Annual Parish Meeting in 2006, the Parish voted to earmark \$200,000 from the Cathedral Treasury to be used for potential property acquisition. The Parish must approve the use of these monies by vote at an Annual or Special Parish meeting. The fund has its own separate bank account which earns interest.

RESERVE FUND – This fund newly created fund replaces part of the old comingled Capital Fund. The new fund will contain the accumulated un-earmarked monies in the Cathedral Treasury. The Parish Council may authorize a transfer or a loan of these monies to any other Cathedral fund(s). This newly created fund will have its own separate bank account that will earn interest.

Effective September 30, 2011, the St. Nicholas Cathedral fund account balances shall be aligned with the following balances:

Gift Corner Fund		
Gift Corner Checking (created 1/31/11)	\$ 5,792.43	
Gift Corner Savings	<u>45,464.05</u>	
Total Gift Corner Fund		\$ 51,256.48
Long Term Endowment Fund		55,982.40
Major Repair Fund		35,873.97
New Annex Fund		553.48
Operating Fund Deficit as of 9/30/11		(11,752.98)
Property Acquisition Fund		200,000.00
Reserve Fund – to be created before transfers to Operating Fund in Resolution 2		101,316.75
Shandor Fund (created 2/1/2011)		<u>7,910.99</u>
Total All Funds September 30, 2011 Treasurer’s Report	\$	<u>441,141.09</u>

RESOLUTION #2

Upon the closing of our CAP account at Wachovia (Wells Fargo), \$ 103,068.57 was transferred to the BB&T Operating Fund bank account. \$11,752.98 of this transfer was used to cover the January 1 to September 30, 2011 Cathedral's Operating Fund deficit and \$1,751.82 was transferred to the Shandor Fund.

The Parish Council mandates that motions are required to authorize the transfer of money among Cathedral Funds.

As the Operating Fund ran at a deficit for the period beginning January 1, 2011 and ending September 30, 2011, the amount of \$11,752.98, which is equal to the Operating Fund year to date deficit as of September 30, 2011 is authorized to be transferred from the Reserve Fund to the Operating Fund in order to provide the Cathedral with the money needed to continue its operations.

As the Operating Fund is projected to run at a \$30,000 deficit for the period beginning October 1, 2011 to and including December 31, 2011, the amount of \$30,000 is authorized to be transferred from the Reserve Fund to the Operating Fund in order to provide the Cathedral with the money needed to continue its operations.

Should the Operating Fund have a balance greater than zero at the close of business on December 31, 2011, such surplus balance shall be reimbursed to the Reserve Fund.

As the Operating Fund is an activity account that carries a minimal balance, the Treasurer is hereby authorized and directed to remove \$59,563.77 from the BB&T Operating Fund bank account and transfer this same amount to a newly created BB&T Reserve Fund bank account.

RESOLUTION #3

As the Operating Fund is projected to run at a \$25,000 deficit for the period beginning on January 1, 2012 to and including March 31, 2012, the amount of up to \$25,000 is authorized to be transferred from the Reserve Fund to the Operating Fund on an as needed basis. Should the Operating Fund have a balance greater than zero at the close of business on March 31, 2012, such surplus balance shall be reimbursed to the Reserve Fund.