

Christ Church Deer Park
"Money Matters"
Parish Forum & Special Vestry Meeting
Sunday, May 4, 2014
11:15 am to 1:00 pm

SUMMARY & REPORT

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1. What happened at the Special Vestry on Sunday, May 4, 2014?

After discussion, the following four motions were passed:

MOTION 1

That the 1870 Fund be renamed the *1870 Reserve Fund*.

MOTION 2

That any reserve funds currently in the Building Fund be moved to the 1870 Reserve Fund.

MOTION 3

That the Building Fund be renamed the *Capital Fund*, and that it continue to hold the fixed assets of the parish.

MOTION 4

That any undesignated bequests to Christ Church Deer Park be allocated as follows:

- i. Operating Fund: 25 percent
- ii. 1870 Reserve Fund: 75 percent

2. I wasn't able to attend the Special Vestry. Was any material handed out?

In addition to the text of the above motions, a background memo was handed out. Please see Appendix A.

3. What is the effect of these motions?

First, there is now a single fund — the 1870 Reserve Fund — where parish reserves are held for future expenditures. The original restrictions still apply to these reserves, just as they did when the fund was created in 2007. Specifically,

- Investment income may be used for the operations of the church
- Up to \$35,000 of the capital may be used in any calendar year at the discretion of management team; and
- Any use of capital above \$35,000 in a calendar year will require prior approval of Vestry.

As a practical matter, reserve funds transferred from the Building Fund to the 1870 Reserve Fund will be used for the capital expenditures identified in a long-term capital planning report prepared for the parish by Halsall Associates, a firm of engineers.

Second, fixed assets of the parish — as opposed to cash — such as the land and buildings continue to be held in the Capital Fund.

Third, if a parishioner leaves an unspecified gift to Christ Church Deer Park Anglican Church in his or her will, 75 percent of the gift will be allocated to parish reserves and 25 percent to parish operations.

4. Do these motions change anything about the Endowment Fund or Rectory Fund?

No. The motions have no relevance to or impact on,

- The Endowment Fund (about \$1.3 million) that was created in 1963. Interest and dividend income from that fund remains available for parish operations but — as in the past — there is to be no encroachment on the capital; and
- The Rectory Fund (about \$1 million) that is money from the sale of the parish rectory. The Anglican Diocese of Toronto invests this money on behalf of the parish. The parish has use of the income generated but the capital can only be used to purchase another rectory, and there are no current plans to do that.

5. How do these changes affect my will if it currently specifies a gift to the Building Fund?

The answer to this depends on the words used in your will to express your generosity to Christ Church Deer Park Anglican Church. This is really a legal question to be discussed with a lawyer who is knowledgeable about wills and estates.

6. What else happened at the Parish Forum on Sunday, May 4, 2014?

In addition to discussing matters of money, parish forum heard about the Halsall Report, the new Property Improvement Coordinator, and an award initiated by a parishioner.

Halsall Report — On behalf of the property committee, Alan Rands summarized the long-term capital planning report that the parish commissioned from Halsall Associates, an engineering firm. This report — received in mid-February 2014 — identifies expenditures over \$3,000 that are likely to be required between 2014 and 2023 for the physical assets of the parish including interior decorating, replacement of furnace and boilers, repointing masonry walls, and roof repairs. The report projects an average annual expenditure of about \$115,000 over the next ten years; see Appendix B.

Of the many items identified in the Halsall Report, only two were classified as matters of statutory compliance. Steps to remediate those items began in February, 2014.

Property Improvement Coordinator — Kathleen Lindsey presented her role to coordinate the groups that are committed to maintaining the beauty and integrity of our worship environment and to providing an inviting space at Yonge and Heath streets. She looks for and manages overlap among three existing initiatives,

- A use and feasibility study initiated by the Opening Our Sacred Space and Grounds working group. This study will look at the visual presentation of the parish site. How do we convey to the local community that *There's Life Here*?
- The Halsall Report, described above; and
- An energy audit and related activities to encourage responsible environmental choices for our building.

Anne Larkin Award — Tony van Straubenzee announced that he was initiating and funding a volunteer appreciation award, and that the first recipient was Anne Larkin who is commended for her extensive volunteer activity in the parish.

7. What next?

As Kathleen Lindsey said to parish forum on May 4, 2014, “This community is a wonderful hub of creative activity. CCDP cares. They care for each other and they care for the community in which they reside. Our building is a beautiful oasis not only for our faith community but for the community around us. We are on the right track with the right people.”

The parish forum was a good, strong start for our next frontier — stewardship: how to best elicit and deploy the time, talent and treasure that express the deep caring and engagement that is present at Christ Church Deer Park.

Let's begin to think about new and creative approaches as well as established ways in which to do this.

Dated: 8 May 2014

8. Appendix A: Special Vestry Background Document

The following memorandum was available in hard copy form at the Special Vestry meeting on May 4, 2014.

CHRIST CHURCH DEER PARK

Parish Forum – May 4, 2014

Special Vestry Motions

Background

At the Parish Forum on February 9, 2014, our treasurer presented a proposal relating to various parish funds. The motions put forward at this Special Vestry are by way of follow-up to that presentation.

Right now the way we handle our “rainy day money” —parish reserves—is fragmented and difficult to understand. We have two funds that hold reserves — the 1870 Fund and the Building Fund. The Building Fund also doubles as an accounting device called a capital account where fixed assets (such as land and buildings) are recorded along with depreciation and other relevant transactions. In addition, when the parish receives an undesignated bequest¹ it is obliged to follow a formula that directs the money three ways — to the operating fund, the 1870 Fund, and the Building Fund — in proportions that vary with either the size of the gift or the size of the instalment, depending on how the formula is interpreted. All of these arrangements are unnecessarily complex.

Motions 1–3 are intended to simplify the current arrangements for parish reserves without changing the way in which the parish may use or invest its rainy day money. From now on, parish reserves for any purpose will be kept in a single fund, called the *1870 Reserve Fund* (previously just called the 1870 Fund.) Reserve money currently held elsewhere — specifically the Building Fund — will be transferred to the 1870 Reserve Fund so that all of our rainy day money is in one place. The Building Fund will no longer hold rainy day money. Instead, it will continue to serve as an accounting device and resume its original name, which was the *Capital Fund*.

Motion 4 is intended to increase our parish reserves and to simplify the allocation of undesignated bequests by allocating one quarter of any such bequest to the operating fund and the balance to the 1870 Reserve Fund, no matter what the size of the gift or instalment.

¹ A gift that a parishioner leaves to Christ Church Deer Park in his or her will, without naming a specific fund.

9. Appendix B: Halsall Report: Anticipated Capital Expenditures Over the Next Ten Years

