

Christ Episcopal Church
Vestry Minutes
September 27, 2005

In Attendance:

Clergy: John S. McDuffie, Rector

Vestry members: Gene Sullivan, Senior Warden; Bob McCartin, Junior Warden; Christie Carrico, Margaret Cervarich, Dave Craig; Jane Follitt; Donna Gentry, Charles Griffiths; Peg Hincke; Karen Near

Guests: Alison Olsen, Tad Cavuoti

Father McDuffie convened the meeting at 7:40 pm. Jane Follitt offered an opening devotion.

Report on Christ Episcopal School

Alison Olsen reported that the total cost of the renovation is approximately \$1.6 million, slightly more than expected. Of this \$401,000 had come from the Capital Campaign. The CES budget for the upcoming year has been adjusted in light of the enrollment numbers and is now okay. An estimate for the renovation of the third and fourth floors is currently being worked on and the Finance Committee is considering timing options for those renovations vis a vis the CES expansion plan. The Jefferson Building was exempted from real estate taxes from July 2004 to July 2006, resulting in a return of about \$33,000 from the closing costs. For 2005 -2006, 85% of the Jefferson Building is exempt from real estate tax. Taxes on the Hillstrom House were also charged to the school as part of the closing costs since it was used as collateral for the loan. The Church normally pays these taxes.

Charles Griffiths reported that he had met with CES representatives the day before to discuss cost-sharing on the parking lot and that the Vestry should expect more requests for cost-sharing from the school as finances became tighter.

Minutes of August 23

The minutes of August 23 are approved as amended. Moved (Dave Criag). Seconded. (Jane Follitt). Passed unanimously.

Nursery and Choir Room

Bob McCartin reported that although the Vestry had previously approved \$100,000 - \$115,000 for the renovation of the McKay Room, the estimate received from Coakley was considerably higher, \$150,000 - \$160,000. Asbestos tiles have been found under the carpet. A new fuse box and power panel were needed. The lighting upgrade for the music room would cost \$10,000, and the windows need to be replaced. In addition, the HVAC is obsolete and needs replacing, but the cost of this is still uncertain. There are three options for the HVAC.

1. Investigate to see if the new chiller can be configured to handle the new space (discussions subsequent to the Vestry meeting indicated that this is not an option).
2. Delay replacing the HVAC for 1-2 years.
3. Replace the HVAC which will also require more power lines from PEPCO. This will delay the renovation and cost significantly more than budgeted.

While the Vestry believed this would be a legitimate use of the endowment interest, the amount of that interest available would not be known until the end of September. The Vestry agreed to a special meeting on Tuesday, October 4 to discuss these options in light of knowing the amount of funds available from the endowment.

Planning for Programmatic/Staff Needs in 2006

Music Ministry

Tad Cavuoti presented his budget request for 2006 in the amount of \$45,660. He reminded the Vestry that the 2005 budget of \$27,000 had been supplemented by \$2100 in contributions and

that he would still need \$1962 to make budget. He also raised salary concerns for the staff. The Vestry discussed the need to plan over the long term for increasing staff salaries and the need to sell this to the congregation. There was extensive discussion of the type of information to communicate to the congregation and the timing for this. While there was no agreement on a strategic planning approach, the Vestry did agree that we need to better communicate to the congregation our budget objectives and keep them informed of how we are doing meeting those objectives over the course of the year.

Youth Ministry

Father McDuffie indicated that he and Michele Craig had reached an agreement for her to work 20 hours a week as Director of Christian Education. We need to hire a part-time Youth Minister. He believes that we need a 20 hour person, since Michele was putting in far more time than 35 hours. An additional 20 hour person will add at least \$8000 to the budget for the current year.

The Vestry authorized Father McDuffie to recruit and hire a Youth Minister at a maximum not to exceed \$23,000/year. Moved (Bob McCartin). Seconded (Christie Carrico). Passed with 9 in favor and 1 opposed.

To Grow or Not To Grow

The team representing Christ Church at the To Grow or Not To Grow series is Father McDuffie, Bob McCartin, Gene Sullivan, Margaret Cervarich, and Steven Perozzi. The program is based on Alice Mann's book and focuses on assessing your church to see if it has the resources necessary to experience actual growth. The first scheduled meeting with the congregation is Tuesday, November 8.

Property Report

Dave Craig reported that there had been a problem with the software ordered to manage the chiller. The sellers did not know how to install it and it was not internet-based. That software is being returned. When all the buildings are connected, we will be going to an internet-based software management system.

Dave Craig has also received a proposal to install a sump pump in the room next to the choir room. He had not had a chance to review the proposal but indicated he would send it out to the Vestry for approval.

Report from the Rector

Father McDuffie reported that he had met with the Rector and Wardens of Calvary Redeeming Methodist Church and they are trying to buy a house in a residential neighborhood for their church. They hope to complete this in 8 months.

Finance Committee

Charles Griffiths reported that the budget appears to be running a \$22,394 surplus for August because the mortgage payment was not included. When this is factored in, the budget broke even for August. Currently we are running a slight surplus for 2005.

The meeting was adjourned at 10:05 pm.

Submitted by Christie Carrico

Finance Report

Charles Griffiths noted that the cash flow problems experienced by the Church were a result of having to pay the mortgage on the Jefferson Building from the operating budget because the school had not yet readjusted its payments to the Church to include the new mortgage. These payments were to come out of the Capital Campaign. The two mortgage payments came to \$43,481, resulting in a deficit for the Church of \$42,856. This was covered out of the money received from the Endowment Fund which will be replaced once the funds are received from CES. Charles Griffith and Louise Wager are meeting with the financial representative of the school to discuss the rent issue and other related financial matters on July 14. As of now, there is still no new lease agreement for the school and John Marshall is supposed to be working on this. There needs to be agreement among the accountants and auditors as well as the staff on how the funds will flow to keep this from happening in the future. Louise Wager was asked to send out an email to the Vestry reporting the outcomes of the July 14 meeting with CES.

Charles asked committee liaisons to review the committee budget reports. He noted that especially for the Youth Group, some expenses appeared on the balance sheet but not on the income statement because they were pass-throughs. This will result in some anomalies in the NOI reported to the Diocese. Father McDuffie needs to ask the Diocese if such pass-throughs count against the NOI on which the Diocesan pledge is based.

Charles Griffiths was asked to explore the reasons for large variances in Music performance, other music, youth expenses, salaries and audit/insurance.

It was also noted that CES had done no accounting of the Capital Campaign since financial responsibility was transferred to them. Related to this, Christie Carrico asked who was responsible for thanking the contributors to the Capital Campaign. She stressed the importance of this happening in a timely fashion in order to keep donors. Charles Griffiths will address this issue as well when he meets with the CES people.

Christie Carrico requested that the Vestry consider altering the agenda on alternate Vestry meetings to begin the meeting with committee reports.

Update on Remodeling

Bob McCartin expects to receive the revised architectural plans for the nursery and choir room within the week. He is still hopefully that construction can begin mid-July. Remodeling bathrooms is very expensive, but he noted that there is room in the space allocated for the nursery for a bathroom. The concern with planning it has been what might be required in order to get the necessary permits. It can be retrofitted if necessary.

Rector's Report

Father McDuffie reported that September 24 is scheduled for the postponed Vestry Retreat/Workday. Each Vestry member should have received two books to read for the retreat. September 9 is the CES Annual Convocation. Preston Hannibal will be the guest speaker at 8:00 am. This will be followed by a ribbon cutting ceremony at the Jefferson Building. There will be a prayer vigil starting at midnight on Friday September 9 through midnight Saturday, September 10. Sunday, September 11 will be Episcopal School Sunday and will be a joint service for the Church and school. There will be a potluck meal.

Committee Reports

Adult Christian Formation: John McDuffie reported for Karen Near that the ACF committee was running a summer video series, "What's Amazing About Grace?" There is some hesitancy about scheduling the fall forums until the status of the renovation is known because of space concerns.

As of now, the forums are scheduled to meet in the Dining Room of the Parish House once construction starts. There will be an adults covenants class in late September.

Outreach: Dave Craig reported that there are 5-6 people on the committee which meets the second Monday of the month. They are looking for a new representative to the Board of Community Ministries of Rockville.

Memorials: Peg Hincke asked for Vestry approval to purchase a memorial wooden cross to hang in the Chapel so that there is a cross in the Chapel during services which require removal of the gold altar cross. It was moved (Margaret Cervarich) and seconded (Bob McCartin) to purchase and install the cross. Passed unanimously.

Property: Dave Craig reported that the railing on the steps should be installed within the next two days. He is awaiting a proposal for a pump in the electrical room. He noted that there appears to be some water damage in the bell tower and he has contacted the people responsible for the roof repairs. Jim Chillini is concerned whether the cost of the chiller control software is for the software only or also for the chiller controls. The Church chiller already has the necessary controls, but the chiller for the Jefferson Building does not, and this may result in a decision by the school to defer purchase of the software.

Peg Hincke asked that Jim Chillini get a schedule for all upcoming weddings so he can make sure that the Church is appropriately cooled.

Hospitality: Jane Follit noted that the Voice from the Pew has still not been printed. Newcomers' Coffees have been tentatively scheduled for October, the end of January, and the end of May. Dave Craig asked if there is any followup with newcomers after a year. Jane indicated that the committee consists of three people, including herself. Followup is desirable but first we need a functional committee.

Stewardship: Margaret Cervarich reported that the Stewardship Committee had its first meeting in June. The suggestion was made that it could be a Stewardship Committee function to follow up with newcomers after a year.

Old Business

There was no Old Business.

New Business

Cyndi Thornton's last day is July 3. Maura Kenerson will be joining the staff as the new Parish Administrator effective July 12. She has worked for the past 5 years at New York Avenue Presbyterian Church. Father McDuffie is looking for volunteers to staff the office the week of July 5-8.

The new editor of The Angelus is Lillian Butler. Hopefully there will be a smooth transition from the former editor to the new one. Christie Carrico indicated that she still has the graphics from when Wally was the editor and she may be able to assist that transition.

The next meeting of the Vestry is August 23. There will be no Vestry meeting in July

The meeting was adjourned at 9:55pm.

Submitted by: Christie Carrico