
MEETING MINUTES

Tuesday, January 28, 2020

Attendees

Rector	Senior Warden	Junior Warden
<input checked="" type="checkbox"/> The Rev. Lisa M. Zaina	<input checked="" type="checkbox"/> Janice Musselman (21)	<input checked="" type="checkbox"/> Geoffrey Fuller (21)

Vestry Committee			
<input checked="" type="checkbox"/> Robert Follit (21)	<input checked="" type="checkbox"/> Timothy Johnston (20)	<input checked="" type="checkbox"/> Adebayo Laniyonou (20)	<input checked="" type="checkbox"/> Diana Locke (22)
<input checked="" type="checkbox"/> Meghan Matulka (20)	<input checked="" type="checkbox"/> Delia McCormick (20)	<input checked="" type="checkbox"/> Emily Pierce (22)	<input checked="" type="checkbox"/> James Suit (22)
<input checked="" type="checkbox"/> Steve McNeil, Treasurer	<input checked="" type="checkbox"/> Kennerly Chapman (21), Vestry Secretary	Guest Speaker: none	

Agenda

Opening Prayer

Rev. Lisa led the Vestry in an opening prayer.

Review and Approval of Minutes

Vestry reviewed and approved the meeting minutes of November 26, 2019 with noted revisions to be incorporated into the final cleared version. Delia first moved, with a second by Diana. All voted in favor. The meeting minutes of December 17, 2019 were reviewed and approved with revisions noted. Jim so moved and Tim seconded. All voted in favor.

Presentations

Emily Pearce – on behalf of the Christ Episcopal Community Task Force

A letter from the Christ Episcopal Task Force dated January 20, 2020 to the CEC Vestry was provided for review, discussion, comments and a vote on two resolutions. The Task Force was comprised of members from both Vestry and the School Board. They met twice in January 2020. Purpose of the TF is to allow us to slow down with this issue, to be careful –of each other’s hearts and money and about

decisions about an important relationship between church and school. They are separate but are a part of a larger community. There are serious challenges in the relationship – both socially and financially. We need to be mindful in decisions being made about the future and this relationship. So, we are not facing the same kind of urgency. The CES School board proposed a comprehensive strategic plan to address the current funding shortfall and a secure path forward for the school in support of the broader church-school community. The School board had procured the services of Wye River¹ to undertake the ‘state of finances’ of the school, its historical financial performance and an assessment of its permanent debt capacity. Wye River also recommended that it obtain additional information regarding church finances to comprehensively advise the church and the school about the possible strategies for the future. The request in the letter is not to lead us to a particular outcome between the school and church-but to gather needed information and advice. Another goal is to respect the community and to ensure that all parties are just and fair. The Task Force proposed two resolutions for consideration by Vestry and to take two actions:

- (1) Release all requested financial information to Wye River so that informed decisions about the financial future of both entities could be made. The CEC Vestry would authorize there lase of the requested financial information requested by Wye River as soon as possible and no later than February 26, 2020.

There was a *very* lengthy discussion amongst the entire Vestry on the risks and benefits of such an approach. Many concerns were voiced and discussed, and members had questions about this approach, the purpose, possible alternative approaches and the outcome and the future of the parish and school community.

Resolution # 1 – The Christ Church Vestry authorizes the release of the requested financial information requested by Wye River as soon as possible and no later than February 26, 2020.

Vestry mentioned that a scope of work for the assessment could be identified in a letter and specifics spelled out. Meghan recommended information would not be used to disadvantage one party or the other. The CES Executive Summary document written by Wye River could serve as an example. Financial information that is already available in the public domain and from the church could be utilized with a Memorandum of Understanding (MOU) or similar agreement be constructed between CEC and Wye River. Communication may be handled by email with the Vestry comments taken back to the Task Force. Dave Scott was the contact and is also a parishioner. The Vestry voted on the verbiage as written. Emily first motioned, Tim seconded. All those that voted in favor were Emily, Tim, Meghan, Rob, Bayo, Delia, Kennerly and Rev. Lisa. All those opposed are Jim, Geof and Janice. The motion passes with the majority.

- (2) The Vestry should not send a letter to Christ Episcopal School representatives inviting them to purchase the Jefferson Building, as outlined in the Shared Use agreement, until the Wye River report and recommendations to the church and school have been received and reviewed by Vestry, in cooperation with the Board of Governors.

The rationale is a brand-new head of school will shortly be hired into the position. CEC needs to do strategic planning, and this will take the energy of the new head of school. Don Crane of the Diocese

¹ Wye River is an independent financial advisor. Refer to www.ryeriver.com

believes CEC and CES can ride out the challenges for a year or so before there would be a crisis. This action also demonstrates being supportive of the school ministry and is purposeful in the church's approach. Rev. Lisa thanked the task force for their efforts and proposal to Vestry.

Vestry members discussed this second option at length, identifying pros and cons of the approach; that Vestry is the governing board of the school and other CEC ministries. Janice noted that ministries are not in equal partnership with the church (they are not meant to be) and that the church has a history of being purposeful in its approach with the school and the previous financial issues it encountered. That said, the church has a symbiotic financial relationship with the school. We would presume that the Wye River assessment would include various options for the church and school to explore, either in partnership or as separate entities. The pro bono work we believe will be a general and broad overview of the church's financial performance, its assets and debt capacity. Rev. Lisa stated that this work would need Vestry representation or perhaps even representatives both from Vestry and the School Board. The statement of work (SOW) would need to be very clear, define roles and responsibilities and empower both the Sr and Jr Warden. Meghan reminded the Vestry that as members we are both responsible and liable, even though this is a partnership with CES. Steve commented that if Wye River's request for financials is not burdensome, it should be straightforward to give them what they need. In fact, all financial information may not be within scope of their assessment in order to make recommendations. There was general agreement within Vestry that a task force would be necessary to work with Wye River.

Second Resolution #2 for Vestry vote:

Vestry amended the proposed resolution to state:

The Christ Episcopal Church Vestry agrees not to send a letter of invitation at this time to Christ Episcopal School to purchase the Jefferson Building, as defined in the Shared Use Agreement, between Christ Episcopal Church and Christ Episcopal School, until the Wye River plan, report and recommendations have been reviewed and within a reasonable period of time a comprehensive plan for moving forward has been determined.

Rev. Lisa commented that we need to make the CEC-CES relationship work and she reminded the Vestry that Don Crane of the Diocese had said that the church and the school will rise and fall together.

Jim first motioned, Bayo seconded. Those in favor were: Jim, Bayo, Rob, Tim, Diana, Meghan, Delia, Emily, Kennerly and Rev. Lisa. Those opposed were Janice and Geof. The motioned passed the majority.

Capital Campaign:

There was an update given of expenditures by category, CEC improvements, cash flow and the balance sheet from 2017 to the present, current liabilities and a status of where we are with various projects. The Vestry talked about the school's letter to the community assertively asking donors for additional monies. Given the current we will need to develop a communication strategy for the congregation to let them make some informed decisions. This will be presented at the annual Spring meeting as part of our annual review. Rev. Lisa and Emily will talk about this amongst themselves and with the task force and determine next steps. In the meantime, it makes sense to remove the posters when appropriate and message this to our parish/school community.

Treasurer Report: Steve McNeil

In the interest of time, Steve provided a brief summary of the finances for January. The church ended CY2019 with a surplus of \$26K. Other items of general note are:

- The Hillstrom House (HH) rent collected \$2100
- Holiday income was \$7100 this year
- Surplus funds are \$2400.
- Some late-giving cash donations were pushed into 2020.
- Revenues- 1% over budget.
- Pledges down – 5%
- Loose plate giving is seeing a slight increase
- Stock gifts are up this year over last year
- Spending is up slightly over last year
- Clergy expenditures are at \$35K as we were fully staffed
- Facilities – an increase of \$13,000 more than 2018
- Music spending – down \$28K (25 hours/week and expenses were kept in check)

Steve noted youth expenses related to the renovation, deferred pledge income, and the mortgage swap when providing a summary of the balance sheet. The church does have \$125k available for projects.

There was a suggestion from Vestry that we perhaps consider putting in envelopes in the pews for cash giving. Rev. Lisa recommended we might consider providing financial updates of the church on the church website beginning in 2020, noting that the annual report and audit (April and October) are already publicly available. Vestry will take this up at its next meeting.

The 2020 Budget has a goal of \$600K, and the church has a shortfall of \$90K so far. Compared to 2019 giving we have not received \$140K in pledges noting that some have left, passed on or have yet not pledged. The Stewardship Committee will continue solicit for gifts.

For CY2020, we need \$85K for expenses and Steve outlined how each line item will be funded. The budget is balanced but will be short in some expense categories, unless the church receives additional monies/pledges. The CY2020 budget was approved with a first motion by Geof and a second by Tim. All voted in favor.

- Clergy and lay staff – and increase of \$12K or a raise of 2.5% over last year
- Diocese support reduced to 2018 level – \$5K support
- Assistant Rector with curate- \$26K savings. Mid-year hire (7/1/20) Saved \$35K
- Church staff: proposed to convert PT to FT with benefits but for now Monica will remain PT and a second PT staff position to fill in late March. Each PT person funded at \$13K
- Youth Group: \$8K was deposited
- Music Ministry : 25 hours/week; \$9500 retained in budget to include Jason for a full year.
- Outreach - \$5K – no change from last year
- Maintenance -- \$9100K proposed but was cut for church grounds.
- HH real estate taxes- \$7K
- Insurance, etc. \$6700 increase

- Utilities/trash removal -- \$70K
- An increase of 10% budget discretionary funding over last year— youth ministry at \$3K; \$11K for music.
- Alter guild—an increase of \$900 over last year
- Fellowship committee-- an increase of \$500 over last year for a total \$3K

Jr. Warden: Geof Fuller

Geof provided Vestry with a handout on the church phone system. A proposal is to utilize \$11K from the endowment fund, including \$1400 to pay off a Verizon contract. The current contract will auto-renew in 2021 and the pay off avoids having this renew once again due to unfamiliarity of new Vestry members with this provision. In turn, we get a state-of the art phone system for the church. This action requires approval for first vote. Emily first motioned, Jim seconded. All voted in favor.

Sr Warden: Janice Musselman

- Janice reported that the minutes from the December 19th Board meeting indicate that the school and the church finances continue to be mingled. Of note, these funds, specifically the Capital Campaign (CC) should be separated. The recent audit of the school’s finances did not mention this. Janice will inquire on specifics of the mingled funds to seek clarification what these are. The school has been reminded previously that funds should not be mingled. The minutes speaks about the upcoming gala fund and notes that three (3) Board members will be rotating off and Vestry will be getting resumes of potential nominees soon. School tuition will be raised by 9% next year and the Board will present a scholarship fund in Caroline Chapin’s name—a surprise that will occur at the March Gala. There was a general discussion around ideas for next year’s fund raising.
- John Tanney and a committee met to discuss an emergency evacuation plan for the church as we are most vulnerable on Sundays and days when there are large gatherings. One should minimize the time the doors are left unlocked.
- Rector pictures need to be framed and Jim noted that two other pictures are framed and hung in the church arches on the windows.

Rector Report: Rev. Lisa

- The CES school invites the Vestry to the February 8th School Gala.
- There are several members, including Bayo, Meghan, and Delia who are rotating off Vestry in March and new members will succeed them for a (3) year term. Kennerly will be rotating off Vestry early and someone will need to be nominated for a one-year term to replace her.
- A head of school will be announced soon—likely in about a week.
- Vestry Leadership Meeting: Will be held on February 1, 2020. All are coming except Rob. The meeting will begin at 9 am and adjourn at 3:30 pm at the Parish House.

Rev Lisa led the Vestry in a closing prayer.

The next meeting is February 25th.

