

Christ Episcopal Church Vestry Meeting 7/29/2020

Janice Musselman, Senior Warden
Geoff Fuller, Junior Warden
Steve McNeil, Treasurer
Bayo Adeolu
Joyce Bryant
Emily Correll
Rob Follit
Bola Lanியonu
Diana Locke
Peter McCabe
Emily Pearce (arrived late)
Jim Suit

Janice called our Vestry meeting order at 7:05 pm. Jim offered an opening prayer asking for “the spirit to think and do all things right” (Proper 14, Book of Common Prayer)

Review and Editorial Corrections to Previous Minutes

June 23, 2020 Minutes

- *Emily Correll asked the reference to our new banking partner read “WESTBANCO”;*
- *Jim the following revision to his statement:
“Jim spoke in detail about the importance of engaging the interim priest we receive with a focused discussion so that we clarify what the Vestry and Wardens are expecting. We need to speak clearly about any concerns we have and/or changes we are seeking. We should draw from the position description that Geof developed for us that clearly stipulates what we are looking for. It is essential that we build and specifically reinforce a mutually beneficial partnership. We cannot take any short cuts in communicating our expectations and emerging goals since our parish will be looking towards this priest to be the ‘tip of the spear’ for any substantial changes. Additionally, they must have confidence that we as a Vestry have their back”*
- *Jim moved to accept the 6/23/2020 minutes with these revisions and Emily Correll seconded the motion;*
- *the motion passed unanimously.*

July 6th, 2020 Minutes: accepted as written, Diana moved to accept, Peter seconded, passed with unanimous approval

Preliminary Framing Remarks by Senior Warden (Janice)

- *discussed “housekeeping rules” for new members;*
- *checked to make sure that all Vestry members have the latest parish directory which provides relevant contact information and phone numbers;*
- *reminded members the Vestry meetings are regularly scheduled the 4th Tuesday of every month except for December*
- *committee reports are due the Tuesday before the Vestry meetings, these documents are distributed via e-mail the following day and are to be read by Vestry members before the meetings;*
- *when in-person meetings resume, copies of the agenda and financials will be provided but Vestry members will be responsible for printing off other documents;*
- *parish members may request to attend Vestry meetings with consent given by the Senior Warden (with the exception of executive sessions). Geof noted that typically non-Vestry members attend for a specific purpose and once the topic is addressed the member is excused.*
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Treasurer’s Report – Steve McNeil

- reviewed the June 2020 financial report;
- CEC remains solvent;
- Overall revenues are down roughly 6%, yet operating expenses are down 10%...so with these considerations we are in better financial shape than last year;
- pledge income for June 2020 is 37% below what we received during June 2019, with current receipts totalling nearly \$36,000....having said this, we had five Sundays during June 2019 whereas there were only four Sundays during June 2020;
- of the June 2020 income we received, 40% represents on -line giving (previously, this funding mechanism accounted for 20-25% of our monthly contributions), 15% was prepaid from last year and another 45 % have mailed their checks in;
- during our July 26th, 2020 regathering, there were roughly fifty attendees, and we collected \$3886.00 (less \$10 due to a counterfeit bill!);
- Overall revenue YTD is roughly \$79,000 compared with previous year's \$115,000;
- Clergy expenses spiked at \$17,000 (it is normally at \$13,000)....Rev Zaina's severance expired 6-15-2020, her health benefits were extended to the end of June and we paid her for six weeks vacation;
- Utilities cost for June were down to \$1,900.00, and trash fees are temporarily down to zero considering the revised agreement Rob negotiated on behalf of the Vestry;
- With regard to the balance sheet, our PNC account is at \$154,000...some of this accrual includes the Federal PPE loan (which we anticipate will be forgiven);
- Our transactions are running through the WESTBANCO account at this point;
- The Endowment Fund continues a strong rebound...recently there was an \$87,000 increase...positive income yield YTD....we've made almost \$69,000 during the first six months of 2020...Steve hopes the market will remain steady...the maximum distribution allowed from the Endowment fund is \$133,000, but what we distribute will obviously depend on the performance yield of the Endowment Fund;
- We spent an additional \$8,000 in legal fees associated with the separation of CEC and CES...this came from the Endowment funds...Janice asked that it be reimbursed;
- A second approval is needed for the CES scholarship fund;
- Geof has submitted a request for \$20,000 for boiler repair costs...another \$200,000 was set aside for replacing floors in the nave...there should be roughly \$140,000 left in Capital Campaign funds after the floor in the nave is completed;
- Responding to Diana's question about whether the PPE loan will be forgiven, Steve is reasonably sure this will occur...it depends upon the number of employees retained....CES staffing is roughly the same, our church has retained all employees except for Rev. Zaina, but she was paid through June 15th ...we have until the end of 2020 to submit the required paperwork;
- of the total proceeds from the PPE loan (\$362,000), CES received \$240,000;
- responding to Bayo's comment about the effectiveness of on-line giving, Steve indicated that we should encourage direct transfers from parishioner's checking accounts via Ach transfers so that we avoid credit card feesfor bank transfers, parishioners should supply the nine digit bank routing code and their checking account number.

Analysis and Discussion of Peter McCabe's Property Report

- We must consider (i) where we were, (ii) where we stand and (iii) where we want be in the future with regard to our property resources/obligations;
- We have been able to use 95 parking spaces through shared use with CES...to date, this hasn't been a problem since we currently own the Jefferson Building
- With Capital Campaign, the plan was to sell the Jefferson Building...unfortunately, the Jefferson Building is an aging structure with lots of deferred maintenance;
- The Capital Campaign concluded, the plan for a new educational building isn't feasible, and we now have to sell the Jefferson Building;
- We submitted a proposal to re-plate CEC property... to split the parking lot and sell the Jefferson Building with 45 spaces, with the other 51 spaces going to the church

- *The City of Rockville has many regulatory constraints...if we sell the Jefferson Building, there must be 78 spaces that go with it (since we must adhere to prevailing zoning requirements);*
- *If we sell the Jefferson Building, the church and school would need 68 spaces...but if shared, you could have a reduction (to 34 spaces)*
- *We would need 112 spaces, 79 to JB the remainder to CEC...re-working the plan we were two spaces short....we could dedicate the two parking spaces between the Thompson and Hillstrom houses we presently own;*
- *The plan to address this was to combine church building, parish house, Foley Park and Thompson / Hillstrom houses into one property.....*
- *At this point, no building is planned in Foley park, and we do not intend to keep the Jefferson Building...we have also renovated the classrooms;*
- *If we withdraw our pending application, we might sell the Jefferson Building with entire lot for roughly 3.3 to 3.4 million;*
- *On the other hand, if we split parking spaces between CEC and the Jefferson Building, the return would be much less (estimated 2.7 million);*
- *In either case, we need a shared use agreement for use of parking lot, preferably a 100 year agreement that preserves our right to use this parking area;*
- *Do we split the lot, sell the two houses fee simple for 1 million?*
- *(practically speaking) the decisions and process are very complicated;*
- *Do we withdraw from the proposed re-platting entirely?*

Geof- *recommends we proceed with option 2 as outlined in Peter's report: (meaning that we should) sell Jefferson Building with shared use parking agreement, this would give us 3.4 million for the Jefferson Building...one million more for combined parking area....we still have the (\$700,00) swap loan...this looks as though it is a very succinct way to proceed .*

Discussion about how parking spaces are defined....we may have to go from 11-12 angular spaces to 7-8 parallel spaces...if driveway is not wide enough, can we squeeze into Foley Park?

Emily Correll...*may be possible to use spaces associated with the Brault House.*

Diana – *questions whether we could use the basketball court to add further parking spaces.*

Peter...*if we split the properties, we need 112 spaces... we might need a special exception from the City of Rockville if we fall short of this threshold.*

Janice...*any sale subjects us to prevailing zoning requirement...on page 8 section C of the Peter's report, it discusses the parking space regulations; also mentions on first page, last paragraph as providing relevant considerations.*

Emily Correll– *is the predicated generated from rentable versus gross space in the Jefferson Building?*

Peter – *do we hold 51 spaces and two remaining spaces and get 3.7 M or sell the entire parking lot for 4.4. million return?*

Bayo...*we should find ways to make up for money we do not have now...we should envision the future, in 20-30 years what will we be dealing with?*

Janice...*specifically references three places in Peter's comprehensive document*

- *page 1, first set of bullets....all 6 lots lie within the Rockville historical district but not are all deemed as historical buildings...only the church and parish house are designated as historical buildings*
- *with regard to school modernization plan, item 3 ...mentions the construction of new building in Foley Park....this new school building is not being constructed because the Capital Campaign did not reach its goals, and we could not sell the Jefferson Building*

- *it is important for us to read the Capital Campaign report that was jointly authored by George Wojoholan and Christie Carrico (which refers to ending the Capital Campaign, how the funds were used and what could not be accomplished);*
- *page 8, last two lines in the last paragraph..."or widen a driveway a bit by encroaching a few steps into Foley Park"....this is a memorial park...we cannot sell...we may be able to get permission from the family to encroach several feet on the property if need be;*

Geoff – Delia needs to know how we are proceeding with the Thompson and Hillstrom houses..will it be fee simple for houses or condominium association fee....if the re-platting plan stays as it is, it will be with a condominium association ...page 6, recommends withdrawing the pending platting proposal....(the first part of part2, item 2)....this would mean that each of six properties are considered separately, we control the traffic through the parking lot and parish house....these would be fee simple sales instead of a condominium association if we abandon or modify the pending re-platting proposal

Janice - if we do this,our commercial realtor AMR would work with potential buyers for shared use agreement.

Bayo...what are the costs/loss of pausing to consider alternatives?...those alternatives on the table should be placed in writing....so that each of us can say that we have thoughtfully weighed the options....so that if we are facing the congregation we are confident of the decisions we have made.

Geoff - moves to proceed with option 2 with the proviso that the Jefferson Building sale include a long-term agreement for shared parking.

Emily Correll – proposes separating the Thompson and Hillstrom houses ...come back to issue of Jefferson Building parking at a later time

Emily Pearce – concurs with Emily Correll

Geoff – selling the Thompson and Hillstrom houses kind of goes with Jefferson Building re-platting..... asks the benefit of doing it this alternative way?

Emily Correll – it gets them on the market and sold...houses are sold quickly in this market...we can still reconsider the parking associated with the Jefferson Building....withdraw the re-platting and play around with calculating number of spaces.

Joyce – questions whether we could guarantee using whole Jefferson Building parking lot if this property sells.

Geoff – at most we could only guarantee part of shared use parking.

Diana – consider the basketball court for supplementary parking spaces....despite the money directed towards refurbishing, this is only money over the dam.

Janice – believes that we have to sell the Hillstrom and Thompson houses...we could invest this money and get additional income.....Delia believes these are marketable properties that could be easily sold.

Bayo – wants feedback from other Vestry members who have not weighed in

Jim – mulling things over, it would be nice to have revenue to invest, but only if we obtain the proceeds quickly.

Geof – both Hillstrom and Thompson House are tied up until 2021...

Bola – more concerned with the Jefferson Building and parking lot...we must have at least half of it

Geof – that would be a proviso of selling the Jefferson Building...they would have to share a certain amount of space with us.

Geof – it would be easier to rent the school with basketball court preserved.

Emily Correll – suggests idea of selling the Parish House and moving operations into newly renovated church spaces .

Jim – it would be nice to have the continuing revenue from a pre-school instead of moving our church administrative operations into the renovated church space with no revenue forthcoming.

Diana – shared experience the Ascension Episcopal had with Gaithersburg High School re: shared/ over flow parking....we paved the front lawn of an adjacent house that had been used church activities to get additional parking spaces....also used overflow parking options....a shared use agreement is do-able given the shared use agreement Ascension had with Gaithersburg High School and an agreement that church would not have large functions during the week.

Peter – withdraw platting from Rockville zoning, give Delia the go ahead....if we want to get half the parking lot, we will have to go back to the lawyers...withdrawing current proposal eliminates one of the problems (i.e. condominium association rather than simple fee sale)

Geof - 2.7 million return if we split the parking lot... if we sold the Jefferson Building and entire lot without shared use proviso, it would be another million, perhaps...it is within the realm of possibility to sell the Jefferson Building and get a shared use agreement.

Joyce – proposes that we put the Thompson and Hillstrom houses on the market for fee simple sale.

Emily Pearce – we need to reject re-platting first.

Diana – we can handle this as one decision....

Geoff...the only reason to go back to the City of Rockville is if we intend to sell the Jefferson Building and keep half ownership of parking lot.

Bayo ... we have come a long way, but it as if we are asking to vote blindly....strongly in favor of seeking clarity in the end game...why the rush?...we need to consider things with due diligence.

Joyce withdraws her motion.

Emily Correll – moves that we withdraw the re-platting motion with the proviso message to the City of Rockville that we may re-visit this, and authorize Hillstrom and Thompson house up for sale.

Geof – the Vestry needs to say that we don't have to do the re-platting anymore, but we do not have to notify the city of Rockville until November 2020.

Emily Pearce...if we decide to put the homes on the market as fee simple, it negates the re-platting....we are dealing with knowns, not unknowns.

Bayo – has limited understanding of real estate issues...lots of unknown variables for those who have less understanding of real estate issues

Janice – we do not currently have a motion on the floor.

Emily Correll - withdraw platting proposal, with a proviso to the city that we might want to revisit it...tell Delia McCormick that we want to go forward with a fee simple arrangement.

Geof – there are two proposals...I believe that we need a decision to first withdraw a re-platting proposal and then market the Thompson and Hillstrom houses.

Emily Correll – Motion to give the realtor permission to put Thompson and Hillstrom properties up for sale as fee simple properties. This decision is contrary to previous Vestry decision to combine our six properties. That previous decision is hereby rescinded.

Bayo – seconds the motion, unanimous approval by Vestry members.

Christ Episcopal School Report - Janice

As of 7/16/2020:

- *CES enrollment is now 99 student contracts (up from 77 at the last report)...this equates 93.3 full tuition equivalents....although 99 have signed contracts, we only get money from 93.3...this includes 19 pre-K students;*
- *CES announced during this July meeting they were planning to have a full, in-person opening as of August 31st...Janice reminded them Bp Mariann has buildings closed....the new Head-of-School thought that was an important consideration requiring follow-up;*
- *the interim Head-of-School, Paul Parker is gay...he wants this status transparent...he will probably be bringing his partner with him....it was refreshing to have a more professional meeting...impressed with his ideas, deportment and the way the meeting was run...he voiced the following opinion "we need to seriously consider going small and making it better";*
- *Paul Parker and the CES Board talked realistically about the possibility of a closing...they discussed all three options, with no anger.*

Janice added three other points since that board meeting:

- *Board members with children in the school: 3, board members who have dropped their children from continuing with the school: 3;*
- *Don Crane, (COO of Diocese) has sent Wardens a letter concerning the insurance company and possible law suits related to COVID-19....the insurance company would not cover ensuing law suits related to COVID transmission among those participating in church activities;*
- *Tuesday afternoon, Zoom meeting with Robert Phillips and Paula Clark...in the discussion of many things, they discussed whether we have interim of FT rector, learned that our priest will not be the CES school chaplain...we have legally separated as of 2021...the Bishop and Diocese believe it is better to sever those chaplain ties now...the Diocese would fund and pay for this chaplain's services to CES.*

Junior Warden's Report

- *pews have been removed from the nave;*
- *Emily Correll, Bola and Joyce assisted with recommendations for flooring;*
- *We will be installing 3 ¼ inch wide oak planks that match the parquet flooring....it will cost \$8,000 more than expected, but we'll have more longevity with the hardwood floor;*
- *Anonymous donations for \$9,000 to refurbish floors in chancel*
- *Options for carpeting...just down center aisle \$7,000...carpeting elsewhere might cost \$10-11K... these expenditures would come out of Capital Campaign Funds;*
- *boiler room: the company we signed to monitor HVAC is helping Geof evaluate safety concerns...he is concerned about the condition of some equipment in the boiler room...there are exposed rotating belts, exposed wires (not bare)...seeking a prioritized list of these safety issues and expects \$8,000 cost...there are , potential leaks inside the boiler as well for an additional \$6,000 repair costs., in round numbers, so roughly speaking the verbal estimate is \$15,000...asking for \$20,000 Endowment funds to provide enough leverage if the formal bids come in higher.*

Geof – offers motion: the vestry approve up to \$20,000 of Endowment funds to make safety and boiler room repairs....Jim second..... unanimous support among Vestry members (with the exception of Peter McCabe having left meeting earlier)

Geof – has set AC at 82 degrees to keep moisture down in the nave (to limit adverse effects during floor installation)

Geof – with regard to renovating the Nursery Room – have a nice engineering package, 110K to get the entire project done....permits have a shelf life and so will be deferred until the funds are approved... how much of endowment do we want to devote to this?....also, the previous new building signs have been removed (in front of JB and Foley Park)...this was in consultation with Paul Parker

Senior Warden's Report

- we have received Diocesan approval to sell all properties;
- Rev. Peter Bastian, Lutheran pastor has been approved as supply priest through August and perhaps in September (if we still need him);
- Regathering in the back parking lot this Sunday as there is more shade;
- With regard to Rev. Zaina's severance...the diocese did not require any financial severance...Lisa resigned and was therefore not entitled to any money....the Vestry took the high road to offer this...she sought legal advice for what we offered, was paid through June 15 with health benefits through end of June...remember the no disparaging clause in the contract...this disparaging clause lasts for two years...

Diana –the disparaging clause goes both ways...which includes her comments about Christ Episcopal Church, the Vestry, Wardens or previous Wardens

- With regard to the severance agreement between CES and CEC...legal costs reached \$28,000... a legally binding agreement in effect as of June 30 2021....the church is separating its ministry from CES, we are not closing the school,... they can no longer use our name as of next June....at that point CES has these longer term options: (i) close the school , (ii) merge with another parochial school...they are presently in dialogue with Grace Episcopal School, or (iii) or they may go off on their own...."the school is now responsibility for its own destiny"...this Vestry is responsibility for implementing this agreement.

Joyce - asking for clarification about us continuing to pay their bills...perhaps as high as \$700,000....

Janice –

- at this point, the school is not in debt per se, but has \$2,000....in order for the school to "eke through", they need 146-150 student contracts
- it is noteworthy that Christ Episcopal School has faced serious, ongoing and partially acknowledged difficulties from 2004 through 2020....the church has paid some of their debt ...but also in the school's more affluent years, the school has given monies to the church... discussed previous work of first and second Vestry Task Forces...Emily elaborated on what was recommended in the second Task force...their recommendations: close CES in 2020, with understanding what the consequences are OR if you keep it open, here are the costs of continuing;
- During the April 1st, 2020 Vestry meeting, there was a 10-to-1 vote to close the school....the CES Board of Governors asked for mediation process...Bp Marian was unwilling to mediate ...she would counsel the best she could...we spent a great deal of time and money reaching this decision ...Bp Marian has taken the position our separation puts the school in a better place...Wardens are working with Paul Parker for messaging this with release in September or October 2020.
- Vestry is responsible for the implementation of this legally binding agreement.

Diana – Grace Episcopal School separated from their church and prospered for a long time

Emily Correll...the sooner the school can come out with their messaging the better to quash rumors

- Briefly referred to committee reports from
 - Environmental Stewardship – Mark Wright (Chair) Rob Vestry liason
 - Adult Formation Bill Thompson
 - Fellowship and Coffee Hour – Emily Correll Vestry liason
 - Out Reach – Diana Locke Vestry Liason
 - Sought volunteers for: Pastoral Care (TBD), St. Francis Flock (Joyce), Welcoming (Emily Pearce)

Janice

- Emphasized the necessity of following up on discussions with Don Crane, specifically the new covenant statement, also insurance document concerns and regathering update....requested a volunteer from the

Vestry to work with Buzz Van Arx.....discussion with Buzz, decisions and report back before next Vestry meeting....Bayo will do so

- *Mentioned letter from Allison Roulier questioning whether CEC was actually a stop on the Civil War Underground Railroad...initially, Allison wanted to confirm that Christ Episcopal Church had been directly involved...she discovered we were never an Underground Railroad site...Allison believes we should remove the statement from our website*
- *Discussed communications received from officials Allison spoke with, as well as a letter from our parishioner, James Pearce, offering to guide a research inquiry...*

Emily Pearce – mentioned the importance of considering the attitudes of parishioners at that time...some were slave holders, others were supporting African colonization...acknowledging our past culpability and hold a remembrance services...Emily believes this project would take a long time to complete....perhaps several years.

Emily Correll - Tony Cohen is the local expert on the UGRR...he is interested in seeing what we have...the Menare Foundation runs the Button Farm...amazingly like what an enslaved person might be subjected to...- Diane Miller is another Underground Railroad source through the National Park Service

Emily Pearce - a third person is interested....Nancy Piccard...regarding the history of Christ Episcopal Church....our early congregation had abolitionists and slave owners...how were they able to stay a single congregation?...-how did people have different perspectives yet have a common dialogue

Emily Pearce...recommends that Christ Episcopal Church remove the statement from our website that claims we were directly involved with the Underground Railroad...then give leadership to James to connect with others..collectively, this committee would have discussions about what they want to do...they could begin to look at documents...next June it would be unveiled to congregation on Juneteenth 2021.

Diana – recommends that we proceed

Emily Correll: Motion to establish ADHOC committee on church history with Emily Pearce as vestry liason and James Pearce as chair.

Geof- second, passed with unanimous consent

Emily Pearce –Motion to remove text stating that were UGRR site...Emily Correll seconds, passed with unanimous consent.

Janice

- *Mark Wright and Rob Follit have prepared a utility usage report, with recording spread sheet, managed by Erin Lopez*
- *Montgomery County asks for the report annually, yet best done on a quarterly or monthly basis*
- *Emily Correll will help with posting minutes for the year on the website ...Christy Carrico will redact confidential information so they can be posted;*
- *Joyce has brought the following issue up....a proposal on behalf of Jason West and Michelle Craig to have a front pew removed....Joyce will consult with Jim who is Music program liason before next month's vestry meeting*

Rob – the gates around dumpsters need to be repaired or building a perimeter....to avoid others dumping trash there.

Joyce....commenting on the recent parish meeting with Dr. Robert Phillips: we need clarity...it was aa positive forum and well-spoken...all range of comments

Emily Pearce...a bit disappointed with the facilitation because there wasn't much time to discuss...why is this not more tailored to us or what is going on?...why aren't we talking about the important considerations? ... there has to be a clearer message....this is the beginning of the conversation...what is the next step

Janice – there are limitations related to the school pressures

Geof – there are limitations imposed by the non-disclosure agreement

Jim – discussed the necessity of have a clear idea of what specifically should be messaged during future parish facilitation meetings....there is a difference between (i) personal interests in knowing all the details, (ii) a misperception that it is necessary to field/discuss whatever is asked on-demand, and (iii) genuinely considering what should (and can be revealed in light of the non-disclosure predicates) to help us move forward in constructive and proactive ways...unless we consider these distinctions and specify meaningful talking points which are presented at the outset of future discussions, we are likely to inadvertently cultivate more dissatisfaction and perpetuate unfounded rumors that the Vestry/Wardens are hiding important information.

Next Vestry meeting: August 25th 2020 at 7:00 pm through Zoom platform...committee reports are due the week before (August 18th)....

Jim will provide opening prayer for the August 25th meeting.

Adjourned....10:42 pm

Respectfully submitted,

James L. Suit