

## **January 2018 Christ Church Vestry Meeting**

**Saturday, January 27, 2018**

**Kanuga Conference Center, Hendersonville, NC**

**Attending:** Harrison McLeod (Rector), Bern Mebane (Senior Warden), Dena Benedict (Junior Warden), Chris Klasing (Treasurer), Bill Kehl (Chancellor), Anne Arrington, Jim Baumgardner, Lauren Briles, Cotton Clarke, Mac Gentile, George E. McCall, Kevin Mertens, Louise Oxner, Chuck Reichert, Helen Wynkoop.

**Not in Attendance:** Dan Seaman, Betty Teague, Brent Williams.

Harrison opened the meeting with prayer at 1:30 PM.

### **Rector's Report**

Harrison reported that we have several open positions and updated the Vestry on the process of hiring a Priest for Faith in Action and a Parish Administrator. Cotton asked if the salary for the FIA priest will count toward the FIA 10% of the budget. Harrison said that the Vestry passed a resolution last year that 10% of pledged and non-pledged income is added to the annual Endowment distribution to Faith & Action. From those funds, 100% of the FIA Outreach Coordinator's salary and 75% of the FIA Director's salary are funded.

Harrison shared his expectations for the Vestry. It is his expectation that everyone participate and not sit on the sidelines. He expects everyone to listen to each other with attentiveness and compassion. If we have differences, it should not affect our ability to relate to each other. We may differ on a topic, but not on our relationships. We will share our opinions with each other, but the expectation is that we will present a unanimous presence to the parish and speak with one voice without surrendering our own integrity.

The Vestry is not a secretive body, but there may be times we will need to respect confidentiality regarding sensitive issues. And, we do not want the "real" Vestry meeting to take place in the parking lot afterward. We are expected to use the Vestry meeting as the appropriate time to share our real opinions.

Jim asked about balancing the desire to ask more questions and have additional discussion at a meeting with respecting each other's time. Harrison said that he relies on each member to fully participate and do your part. Dena also reminded the group to review the ministry area reports that are distributed in advance, but to also remember that you have the opportunity to ask questions about them or add additional information for your ministry area at the monthly meetings.

### **Senior Warden**

Bern followed Harrison's remarks by encouraging everyone to speak up. He said that he is a firm believer in change. He said that we should not be afraid to take a look at the ways we do things. He praised Harrison's work and preparation for this meeting and this year's agenda. He asked for a one page document at the conclusion of the Third Century Commission's work.

Helen asked about Ministry Area Reports. Harrison and the Wardens said it is their expectation that you will have read the reports before arriving at the meeting. Come prepared to ask any questions you have and feel free to add additional information that may have occurred since the report was filed. You and

your ministry areas should be in conversation throughout the month and be familiar with the contents of the report.

George asked about the process of dealing with any complaints that the Vestry members may receive. Harrison asked each Vestry member to become familiar with the Church's organization chart and direct the comment to the staff person over the department in question or to use your judgement if this should be more appropriately addressed with a staff person, a lay leader, your fellow Vestry or with Harrison or the Wardens. Examples given were that a thermostat setting question should go to the Parish Administrator. A personality issue may be more appropriately addressed with Harrison or with Bern. If you are unsure how to handle a question, always feel free to contact Harrison, Bern and Dena.

### **Junior Warden**

Dena thanked everyone for attending the retreat and meeting. She reminded the Vestry that they will sign up to visit a staff meeting. She passed around a sheet for the new Vestry members to sign up for dates to visit a staff meeting. Continuing Vestry members will have an opportunity to keep their original months or sign up for another soon.

### **Treasurer's Report**

#### Closing the 2017 Budget Deficit

Chris said that the bottom line is that we were right around the budget at the conclusion of 2017. They realized there was a possibility of the unpledged income running lower than anticipated this year due to the increase in the number of those pledging. The deficit of \$110,000 has been covered mostly by reserves.

He distributed a document delineating the Treasurer's recommendation to close the deficit by utilizing the kitchen surplus, spending budgeted reserves, staffing reserves, parish nurse reserves and men's ministry reserves. The Treasurers are bringing this to the Vestry for their approval.

Bern Mebane made the motion to adopt the plan outlined by the Finance Committee and Treasurers as outlined from reserves. Lauren Briles seconded the motion. Discussion ensued.

Anne asked a question about the operating reserve. Chris answered that the reserve accounts are accounted for separately and are kept in cash for specific purposes in accordance with the purposes of which they have been given. Others require Vestry approval before they are spent to close a shortfall. Funds are not squirreled away without a purpose in mind. Funds donated are meant to be used.

Mac asked about the staffing reserve established in 2016. This was set aside in 2016 because we knew we would be recruiting staff in 2017 and this account was used for the intended purpose of expenses incurred in hiring new clergy. The balance would require a Vestry vote to use this to close the books for 2017.

Cotton asked about HIStory Lives expenses that may still be forthcoming less the deficit paydown. Chris said the stained glass window contractor's expenses may include some additional charges that were provided for in the contingency fund as this work is completed in 2018. At this point, the best guess of outstanding invoicing would be around \$500,000. There is no other expense of consequence that will be forthcoming.

Mac asked about the timeframe for the pew and kneeler cushions. Harrison said that the color chosen by the Design Committee that is most similar to the one used before was a custom fabric, which was unfortunately made in the wrong color. Not at our expense, it has been re-ordered.

George asked if the church published an annual report with an audit. Chris and Dan presented an executive summary at the Annual Meeting in November. Chris will catch up George on the accounting changes requested and that were made for 2016 audit purposes.

Harrison asked for a vote in favor of closing the 2017 budget deficit as per the motion. All voted in favor, none were opposed. The resolution passed.

### 2018 Budget

Chris said that his addendum to the Treasurer's Report for the 2018 budget shows that the adjustments just voted on will be used to close 2017, which will affect the 2018 budget. Chris and Assistant Treasurer Dan Seaman will look at the reserves available and make a closer guess on non-pledged income. There are cuts agreed to by departments but not yet defined by line items, the bank lease was renegotiated and will result in a credit, the Endowment take is 4.5% of a rolling three year balance and has not yet been finalized.

Chris said this last item should be good news, since the Endowment had a good fourth quarter. The 2017 books were late getting closed due to a number of stock gifts that came in during the last week of December. Meetings were also delayed by the inclement winter weather and illness of business office staff. The completed budget should be ready for your vote at the February 20, 2018, Vestry meeting.

Cotton Clarke, who was on the Budget Committee, observed that Annual Giving met the 2.6 million goal. He said that 81.5% is going to salary and benefits and that the Church used a lot of reserves, approximately \$200,000, which are not permanent. Future budget committees will need to wrestle for these implications. The expense budget is \$3,000,000 with approximately \$2,000,000 on people and \$1,000,000 in program expenses. With \$500,000 added from endowment, our net expenses are approximately \$3,500,000. About \$2.59 million in pledges are currently outstanding on HIStory lives. Long term debt of \$2.1 million will be reduced by \$500,000 at the conclusion of the restoration, and there is a \$500,000 life insurance policy toward the Doorways campaign that will be used at the appropriate time.

### **December Vestry Meeting Minutes**

The December 19, 2017, Vestry Meeting minutes were distributed prior to the meeting by email. A motion to accept the minutes was made by Anne Arrington and seconded by Cotton Clarke. All Vestry members voted in favor, none were opposed. The motion carried.

### **New Business**

#### Seminarian Support Letter 2018

Harrison said that it is required that we support our seminarians as they move toward candidacy for ordination. Mike Cannon is in his last semester at seminary. A motion to endorse the letter submitted by Pastoral Care by Fr. Bob Chiles supporting Mike Cannon as a candidate for ordination to the diaconate was made by Cotton Clarke and seconded by George E. McCall. Discussion ensued. Harrison clarified

that Christ Church offers \$5,000 a year or \$2,500 per semester and that this amount is budgeted. The 2018 support for Mike Cannon is \$2,500 for the last semester. All Vestry members voted to approve, none were opposed. The motion carried.

#### Funding Request for Restoration Sunday

April 29, the weekend of the Garden Tour, will also be the Bishop's visit, the dedication of the new courtyard, and the parish wide celebration of the completion of the Restoration of the Church. Staff members Lei Offerle (Parish Life), Lauren Sigmon (Resource Development) and Donald Duncan (Liturgy and Music) anticipate approximately \$20,000 in expenses, which includes a catered meal. Lay and staff leaders need a framework with which to work and plan.

Harrison asked the Vestry to sponsor a motion approving up to \$20,000 from HIStory Lives to fund Restoration Sunday. Discussion ensued: More lay participation, donors or sponsors were encouraged. The Wardens and Vestry concluded that it was troubling to spend money donated for construction and paying down debt on a celebration although they did not disagree with the need for a celebratory conclusion to the project. Kevin and Cotton reminded the group that the entire parish appreciates the "thank you" celebrations for donors to campaigns and that a similar well-received parish picnic was part of the kickoff of the project.

The motion was tabled and the Vestry offered to be involved in ways this can be done within our operating budget and by helping recruit parish volunteers outside of the more than 400 who will be engaged that weekend with the Joyful Garden Tour.

#### Additional Items

Cotton asked about the timeframe in which Vestry members should plan to initiate meetings with the staff in their Ministry Areas. Harrison said each Vestry member should meet with his or her Ministry Areas before the February 20 Vestry meeting.

The meeting adjourned at 2:45 PM. The Vestry gathered near the fireplace at 2:50 PM and closed the weekend's proceedings with Eucharist before departing.

Respectfully submitted, Rose Cuddy