

“To love others as Christ loves us”

**Christ Church Episcopal Vestry Minutes
Christ Church Episcopal School Presentation Room
Tuesday, November 19, 2024**

Attending: Harrison McLeod (Rector), Bill Hardaway (Senior Warden), Cecil Nelson (Chancellor), Wade Kolb III (Asst. Chancellor), Nelson Arrington III (Treasurer), Chris Klasing (Asst. Treasurer), Betty Parker Ellis, Norma Givens, Julie Haas, Dexter Hagy, Kay Jenkins, Paul Landis, Martha Louise Lewis, Smyth McKissick IV, Mary Holt Murphy, Phil Peterson, Angelle Reichert.

Minutes Taken by: Wes Clarke

Attending by Phone: Bryant Nixon (Junior Warden).

Not in Attendance: Betsy Baumgardner.

Guests: Kim Owen, Controller; Kevin Mertens, Director of Faith in Action and Hospitality Ministries; Kristin Bennett, Director of Resource Development; Nancy Kennedy, Senior Warden-elect; Chan Boyd, Junior Warden-elect.

Inter-Meeting Minutes:

On Tuesday, November 5, between the October and November meetings, Harrison and the Wardens distributed to the Vestry a letter regarding a motion from the Finance Committee as to a renovation project for CCEP. In response to parent concern and to demonstrate commitment to offering a premier educational and formation experience, CCEP had commenced work with an interior designer with Craig Gaulden Davis Architecture on a proposal for new flooring in the main corridors and for painting the hallways. This work was discussed during the Junior Warden’s report at the last Vestry meeting.

Because the best time to schedule such projects is when CCEP is not in session, the materials required ordering by 11/8 in order to complete the project during Christmas break.

Two options were presented via email: Option 1 for ~\$78k, and Option 2 to also include work to several of the bathrooms for ~\$137k. The two potential funding sources were The Hatch Fund, with a current balance in excess of \$900k, or the Parish House Fund, with a current balance in excess of \$80k. The purpose of both funds is to provide resources for exactly these types of capital improvement projects. By electronic vote, the Vestry would request the Endowment Board to authorize the draw from either of the two funds for the project.

While acknowledging a less than ideal and condensed time frame, the motion required an affirmative vote from every member of the Vestry, and invited questions, comments, concerns or suggestions. All members responded affirmatively for Option 1.

Welcome & Prayer:

The Reverend Dr. Harrison McLeod (Rector) opened the meeting in Prayer at 5:00pm.

Ministry Area Updates:

Harrison began the meeting by requesting a vote to offer seat and voice during the meeting to both Nancy Kennedy, Senior Warden-elect, and Chan Boyd, Junior Warden-elect. With no discussion, all were in favor, and none were opposed.

Next, Controller Kim Owen presented an initial CCEP budget for 2025 for the Vestry to review. Having just been readied, the \$2.71 million budget proposes an approximate 6% tuition increase. The budget also includes three new positions, two of which are part-time: Business Administrator, Benefits Coordinator, and Social Media Coordinator. While no action on the preliminary budget was required at this meeting, the discussion was useful in anticipation of a budget approval at the December meeting.

Discussion ensued around three elements: the purpose and necessity of a Social Media Coordinator, the magnitude of the tuition increase, and the ~8% of the budget that comprises grant monies. The Vestry ought to scrutinize any tuition increase over inflation. It was noted that over perhaps the past five years, CCEP tuition has undershot inflation, tuition-payers may not understand that when their children may only be enrolled for 3-4 years. Further, CCEP maintains a goal to return to 3% annual increases as soon as possible. CCEP is the only known pre-school option that allows for such flexibility in pick-up and drop-off without additional charge. Knowing that grant money may not be as secure in future budget years, extensive five-year financial analysis undertaken in 2023 yielded a plan to not have to depend on grants by 2026. (See the related note below as part of the Treasurer's Report.) It was suggested that CCEP make efforts to communicate its value proposition during re-enrollment.

Next, Kevin Mertens updated the Vestry on Faith in Action ministries, defining Faith in Action as Hospitality to our members, guests, neighbors in need, in three primary components: Outreach, Food, and Building & Grounds. The ministries provide ~10k meals per year to members, and ~30k meals per year to neighbors and guests. The church works with approximately 30 outreach ministries, such as Project Host, tutoring at Legacy, ongoing relief for Western NC, and the Grateful GVL Thanksgiving meal. Two new partner ministries are being planned for 2025. The first involves joining with First Presbyterian, First Baptist, St. Michael's Lutheran, St. Matthew's United Methodist, Triune Mercy Center, and United Ministries to support people in acute crisis and keep them housed. The second involves joining with Habitat for Humanity, the Sterling Neighborhood Association, the Sterling Community Center, St. Francis Hospital, and Clemson University to provide technology job training at the Sterling Hope Center.

Kevin also spoke to his ongoing formation as a Deacon. He was first nominated as a Candidate, is now a Postulant, and started seminary at the end of August through an online program with three mentors, two of them in the Upstate. He has learned so much in this first unit, feels well-prepared but humbled, and hopes to complete his educational units in summer of 2026. Kevin thanked Vestry for their support.

Finally, Kristin Bennett was asked to share her journey as she has discerned a call to the priesthood. She began by declaring what a joy, privilege, and honor it is for her to be a part of Christ Church, and referred to God's promised plans in Jeremiah 29:11. She continued by sharing her experiences during a healing service at Cursillo 2022; at two consecutive annual discernment days hosted by the Bishop at Kanuga; with a Parish Discernment Committee that included a Vestry representative; and during a meeting with the Bishop and the Commission on Ministry that coincided with her daughter's 16th birthday. Kristin concluded by requesting the endorsement, support, and prayers of Vestry members, acknowledging her long road ahead and taking comfort that she knows God is in charge of it. It was noted that seminaries are adopting more flexible models, and that Kristin has expressed a desire to continue her work and her membership in the Parish. The Vestry must approve her formal admission to continued discernment. Bill read the motion to nominate Kristin. Paul seconded. There was no discussion. All were in favor. None were opposed.

Rector's Report – Harrison McLeod:

To begin his report, Harrison noted Kellie Wilson's transition away from Christ Church, which had been announced to the Parish in an electronic letter that afternoon. Kellie has been a wonderful contributor for seven and a half years, and Harrison, the Bishop, and the whole Parish fully support her pursuit to become a Rector.

In Kellie's absence, the Rev. Canon Stephen Rhoades has agreed to step in for short-term needs. Harrison plans to begin to interview seniors in seminary for a Curate position starting in June or July to return to four priests on staff. There are additional positions that might be pursued, such as a second youth minister or support for parish life and youth development, so the staffing approach represents a reallocation of personnel and not a cost-saving measure.

Harrison previewed the budget presentation later in the meeting by mentioning that it assumes \$200k in Bridge gifts, which he is confident will materialize, and \$3 million in pledges as currently proposed.

Harrison thanked Nelson, Bill, and Bryant for their reports during a great annual meeting two days ago. He recognized newly elected Vestry members Wes Clarke, Jane Harrison Fisher, Dorothy Nicholson, and John Wood; Diocesan Convention delegate Eliza Alderman; and new Senior and Junior Wardens Nancy Kennedy and Chan Boyd, respectively.

Harrison concluded by inviting the Vestry to the annual December meeting on the 3rd Tuesday at the McLeod home. Spouses are invited for social time, joined by members after their work is concluded. He also lauded the signature worship and fellowship weekend with Marcus Hummon and Becca Stephens.

Senior Warden's Report – Bill Hardaway:

Bill requested Vestry members to complete their letters of appreciation to church staff soon. The pulse survey of staff members closed recently with 85% participation, and Bill will meet with them as a group in mid-December to review the results. Bill is also actively anticipating the upcoming Warden transition.

Junior Warden's Report – Bryant Nixon:

No report.

Treasurer's Report – Nelson Arrington & Chris Klasing:

The financial figures presented at the Vestry meeting were also delivered to those in attendance at Sunday's annual meeting.

October put us a bit behind schedule. Monthly total revenues were \$213k vs. \$266k budgeted, mostly from monthly pledge revenue at \$189k vs. \$239k budgeted. Year-to-date total revenues were \$2.5 million vs. \$2.6 million budgeted with total year-to-date pledge revenue of \$2.1 million vs. \$2.2 million budgeted. Overall, we are below plan with pledges running \$72.5k below budget for the year.

Net expenses for October were \$336k, \$11k (3.1%) under budget. YTD net expenses were \$3.2 million, \$28k (0.9%) under budget.

Net Income without auxiliary income/loss year-to-date was a deficit of \$230k vs. a budgeted deficit of \$164k, \$65k worse than expected. Net income with auxiliary (including preschool) is a deficit of \$166k, which is \$36k better than budgeted.

CCEP revenues through the third quarter were \$1.5million, \$85k ahead of budget, driven by Enrollment Fees. CCEP expenses totaled \$1.8million, \$42k better than expected, due to underruns in Janitorial Expenses and Salaries and Benefits. This resulted in a net income of \$82k, which is \$111k better than budgeted. The planned tuition increases are having their expected effect and should be able to replace the grant income on which CCEP is relying to balance its budget in 2024 and 2025.

Approval of Minutes from October 15, 2024:

Norma moved to approve the October minutes, and Betty Parker seconded the motion. There was no discussion. All were in favor. None were opposed.

New Business:

None.

Committee/Team Reports:

Julie announced that the Angel Tree Store has adopted 200 children from the Legacy community, and encouraged the Vestry to participate.

Norma, representing the Worship & Liturgy Committee, distributed outlines of worship events from Advent through Epiphany.

Other Business:

Chris presented for approval a request from Kevin Mertens for funding from the Parish House Fund to cover water leak expenses. The fund's stated purpose is to operate, assist and encourage endeavors, projects and activities relating to the Parish House. This disbursement, in the amount of \$33,769.93, would only pay for diagnosis and repair work. Paul moved to approve the distribution, and Phil seconded the motion. There was no discussion. All were in favor. None were opposed.

Next, the proposed 2025 budget, as recommended by the Finance Committee and in the amount of \$3.516 million, was presented for approval. It was noted that amounts for Worship and Building & Grounds really reflect actual expenses for 2024. The budget includes a 5.2% increase in salaries and benefits for staffing and the cost of living. It was also noted that in this process, the budget proposal is tentative, pending adjustment due primarily to received pledges, and will hopefully be finalized in February or so. As of this meeting, 483 pledges totaling ~\$2.06 million had been received towards goals of 800 pledges totaling \$3 million, tracking similarly to prior years.

Discussion ensued, during which members requested actual budget history for 2023 and 2024 for comparison. Members then discussed whether to approve the budget now or wait until February. Harrison noted that the timing of this November proposal was in response to previous Vestry requests to be involved before the Vestry turnover at calendar-end, and that before a final budget is approved, there is flexibility, if needed, in the form of unfilled staff positions. Mary Holt moved to approve the budget. Nine were in favor. None were opposed. Three abstained. It was clarified that abstentions were not in objection to the proposal, but rather to acknowledge that more information will be available by the time the final budget is approved.

The closing Devotion was offered by Mary Holt as a prayer from the BCP. The meeting was adjourned at 7:02 pm.