

Christ Church Vestry Meeting Minutes

January 12, 2019

111 Williams Street, Coldwell Banker Caine Building

Attending: Harrison McLeod (Rector), Ben Horne (Senior Warden), Ashley Reynolds (Junior Warden), Anne Arrington, Jim Baumgardner, Lauren Briles, Cotton Clarke Jordan Earle, Elizabeth Fletcher (Secretary of the Vestry), Mac Gentile, Norma Givens, Chris Klasing (Assistant Treasurer), George E. McCall, Kevin Mertens, Dan Seaman (Treasurer), Penn Williams, Helen Wynkoop, and Rose Cuddy (Clerk of the Vestry).

Absent: Emily Davis

Harrison opened the meeting at 2:10 PM.

Rector's Report

Ministry Areas

Harrison asked the Vestry members to send in their choices for Ministry Areas. The Wardens and Harrison will meet and complete these assignments as quickly as possible.

Staffing

Key positions need to be filled. Harrison will meet this week with a consultant regarding structure and capital campaigns. A potential capital campaign that would begin after HIStory Lives is concluded will be explored.

Bicentennial Committee

The full committee has met once. The executive committee continues to meet. The committee will be a partner with the Vestry and the Staff as we prepare to celebrate this milestone in 2020. A weekend of celebrations as well as other initiatives will take place. Harrison asked the Vestry members to consider ways to mark this occasion.

Chancellor

Bill Kehl has informed Harrison that he would like to retire as Chancellor. He has served as our counsel more than 20 years. We will find a way to commemorate his service and recognize his efforts on our behalf. We need to name a new Chancellor. Harrison will plan to have someone to recommend to the Vestry to vote on as a new Chancellor next month.

Questions

Harrison responded to questions and comments related to a potential capital campaign.

Senior Warden's Report

None.

Junior Warden's Report

None.

Treasurer

2018 Treasurer Chris Klasing distributed the December report at last night's dinner. He responded to a question that we borrowed (and paid back) about \$180,000 from the operating reserve in 2018. We used about \$68,000 (versus \$70,000 budgeted) from the capital projects reserve. His presentation is attached.

2019 Treasurer Dan Seaman presented the 2019 budget as it currently exists. There are some moving parts, but today's presentation has the same numbers and words as originally presented.

He reviewed the Budget Committee's makeup and the timeline.

The difference in the projections for 2018 were about \$10,000 over where the total revenue came in.

He said that projections for 2019 are about \$87,000 more than last year. He then reviewed the ministry areas' projected spending and highlights.

Outreach Vestry Policy

Dan said that the target outreach spending goal is 1) 10% of pledge revenue and 2) Outreach specific endowment proceeds. Outreach spending includes outreach administrative costs (75% of FIA leader and 100% of outreach coordinator positions).

The 2019 budget impacts of the Executive Leadership Team balancing recommendation (in which the FIA Interim Priest participated) is to lower the budget for 2019 to 8% of pledge revenue (saves \$54,000) + FIA endowment proceeds.

Endowment

Dan then discussed the 2019 Endowment distribution by ministry.

He told the Vestry that the market drops in the fourth quarter of 2018 affected the Endowment.

In 2016, we had income above pledges and placed \$70,000 in a fund to hedge against non-pledged income drops. In 2017 and 2018, income went the other way. He noted that other than end of year adjustments, we've been pretty consistent in income over the full year.

Salary and Benefits

- Adds are Full Year FIA Priest vs. 9 months in 2018 budget
- Benefit rate increases

2019 Budget Adjustments

He then discussed a slide showing the 2019 Budget Adjustments made by the ELT Team members. There is one line showing an unallocated amount. It has since been allocated among the departments and will be added to the updated figures.

Dan said that we will actually spend \$3.5 million and the difference between the projected \$2.91 million revenue (\$2.7 million of which is the 2019 pledge goal) and this figure will be taken from the Endowment and reserve funds.

He reviewed the significant changes to the proposed 2019 budget. Vestry approval is required. Discussion followed. The Vestry can approve the budget today pending adjustments related to the drop in Endowment funds and other minor adjustments or they can wait until the February meeting.

Cotton Clarke asked if are we building standard reserve draws into the budget (ex. Habitat funds building up) or are we using it to subsidize regular expenses? Dan said that we ask each ministry leader to review their reserve accounts and identify for which purpose they may use reserve funds if possible.

Cotton asked about the increase in Support expenses. Dan responded that it was due to a rise in insurance rates.

Cotton asked about what spending was prioritized to trim the FIA allocation to 8%. Dan reviewed the 2019 Budget Adjustment slide and Harrison commented on the reductions agreed to by all department leaders.

Jim Baumgardner asked about our giving pattern compared to similar size churches. Harrison reported that we have typical giving patterns, spending patterns and staffing patterns. The variable is what is considered outreach. Some parishes were at 10% of outreach but included their annual Diocesan Ask. Others added their Endowment income in addition to pledge income. The definitions vary wildly.

Anne Arrington came with the support of the FIA Committee to challenge the reduction from 10% to 8%. She researched the 1997 resolution originally proposed by Rannie Townsend. Pledged giving at the time was 1.5 million and FIA received \$87,000. Anne appreciated the difficult task before the ELT to balance the budget, but as a matter of principle, she believed that the church should honor the 1997 resolution. The \$79,000 drop in grant money will be significant for many of the grants, which the committee had already assigned in the grants process. At Harrison's suggestion, the committee has worked to realign funds from other departments that could be considered outreach.

Ben said that we should honor both the spirit of the law and the letter of the law. On the screen, he said that Outreach appears as 15% of the budget and asked where the total of \$517,683 is allocated.

Dan showed a couple of slides to help clarify the historical Outreach spending and offered to provide more if needed. He looked back ten years for a history of giving.

Dan reviewed a slide about attainment of outreach goals vs. pledge revenue and Endowment funds and the outreach goals vs. total revenue and Endowment. Since 2015, this amount has always been more than 10%. Questions were asked about how the FIA funds were allocated and which funds from other departments, such as Faith Development Mission Trip Scholarships, were or were not moved to Faith in Action. Lauren Briles brought up several Faith Development impacts.

Harrison said that the percentage holds us accountable to ourselves to fulfill the charge in Matthew 25. He finds it challenging that we've identified one part of the budget that it is the "sacred cow" which may have the unintended consequences. He said the Vestry could put \$54,000 back in FIA, but we could not leave until the Vestry decides which accounts to reduce by that amount. The Budget Committee has provided the recommendation to the Vestry, so if the Vestry does not accept the recommendation, the

Vestry would have the responsibility of balancing the budget. Kellie Wilson, Interim Priest for Faith in Action and Priest Associate for Faith Development was the only person in the ELT budget balancing meeting who was wearing two hats. She offered to cut Faith Development budget more to fund Faith in Action. The ELT together determined this was unwise.

Cotton asked about the FIA Committee's discussion. Anne said that Kellie spoke to the FIA Committee reps after the Budget Committee meeting, which is when they learned about the decision to go to 8% as opposed to 10%.

Harrison also noted that Christ Church doesn't pay our full pledge to the Diocese of Upper South Carolina - this is \$180,000 short of the ask. Harrison responded to Elizabeth Fletcher's questions regarding Christ Church's history of not paying the full Diocesan pledge.

Anne said that she was interested in the slide that Dan showed that 11.2% of the income was going to FIA. She said she felt that the FIA Committee could accept this, but they would still need to revisit the grants. Dan noted that there are \$252,000 in FIA reserves, which means that money could still flow, but it would affect upcoming years.

Harrison said that in 1997, we were at 4.5% and worked to get up to 10% by 2003, when income was lost due to national church issues and we dropped FIA funding back to 5%. After Harrison arrived, we've worked hard to get back to 10%. So, FIA spending does fluctuate despite the 1997 resolution.

Lauren Briles asked about LYBUNTS (those pledging last year but not yet this year). Cotton updated the figures that we've raised 2,713,717. Lauren feels that we can get to 2.75. There is about \$172,000 in LYBUNTS.

Ben had one piece of discussion requesting a motion that we are in support of the 1997 recommendation and that we have not had a change of heart.

Anne said that she would like Treasurer Dan Seaman to come to the FIA committee with the information that he provided the Vestry and that the committee could consider revising their grants schedule to better fit the budgeting process.

The Vestry voted on the 2019 Budget Committee's recommendation to adopt the 2019 Budget as presented. Voting in favor were Jim Baumgardner, Lauren Briles, Cotton Clarke, Jordan Earle, Mac Gentile, Norma Givens, George E. McCall, Kevin Mertens, Penn Williams and Helen Wynkoop.

Voting against was Anne Arrington, who said she voted no in principle. The ayes were ten and the nays one. The motion carried.

Ben Horne presented a motion that the Vestry affirms the spirit of the 1997 resolution which invites the parish to tithe the parish's resources. Cotton Clarke seconded the motion. There was no discussion. The motion passed unanimously.

December Vestry Meeting Minutes

The December 18, 2018, Vestry Meeting minutes were distributed prior to the meeting by email. A motion to accept the minutes as submitted was made by Lauren Briles and seconded by Ashley Reynolds. All Vestry members voted in favor of accepting the minutes. The motion carried.

CCES By-Laws Revision

Helen Wynkoop said that the revisions to the Christ Church Episcopal School By-Laws were provided to the Vestry by handout today. She said that the Religious Identity appendix has been incorporated into the bylaws. The terms of office for the trustees have been changed to a three-year term from a four-year term effective July 1, 2019. Trustees can serve up to three terms, for a total of nine years. The CCES Chapel is identified as a school chapel and not as a church, so no weddings, funerals, etc. will be held at the school. Anti-discrimination language has been crafted by Baker Wyche and incorporated into the By-Laws. Helen Wynkoop presented the recommendation on behalf of the CCES Board of Trustees that the CCES By-Laws be revised as submitted. Cotton Clarke seconded the motion. There was no discussion. All Vestry members voted in favor of the by-laws revisions. None were opposed. The motion carried.

Ministry Area Reports

Ministry Area Reports from department heads were distributed prior to the meeting via email. Updates and additional reports from Vestry liaisons may be found below.

Pastoral Care

The Vestry is invited to The Senior Adult party is at Nolley Sanchelli's home April 26.

Annual Giving

Cotton Clarke thanked the Vestry and Resource Development Director Lauren Sigmon for a successful Annual Giving campaign. Harrison echoed his thanks and said we had not accomplished and surpassed our goals this early before!

Adjournment

The meeting was adjourned at 4:15 PM and the Vestry moved to Markley Chapel on the Christ Church campus for Eucharist to close the Retreat weekend.

Respectfully submitted, Rose Cuddy, Clerk of the Vestry

