

Christ Church Vestry Meeting Minutes
Tuesday, October 15, 2019, 5:00 PM
Earle Conference Room, Parish House

Attending: Harrison McLeod (Rector), Ben Horne (Senior Warden), Ashley Reynolds (Junior Warden), Anne Arrington, Jim Baumgardner, Lauren Briles, Cotton Clarke, Emily Davis, Elizabeth Fletcher (Secretary of the Vestry), Mac Gentile, Norma Givens, Wade Kolb (Assistant Chancellor), George E. McCall, Dan Seaman (Treasurer), Cecil Nelson (Chancellor), Penn Williams, Helen Wynkoop, and Sherri Allred (Clerk of the Vestry).

Absent: Jordan Earle, Chris Klasing (Assistant Treasurer)

The Rev. Dr. Harrison McLeod opened the meeting with prayer at 5:00 PM.

Rector's Report

- Harrison said the Bishop is scheduled to visit Christ Church on November 22, 2020. We were originally concluding the Bicentennial celebration on the 3rd Sunday. I want the confirmands to be affirmed. With a huge blowout on the 15th and then the Bishop on the 22nd. I propose that we move the concluding celebration to the Confirmation date. This will include the Annual Meeting--all rolled up into one annual event. The confirmation reception will be some time that morning. That will be a long service. The Bicentennial folks know about moving it. Mac moved and Cotton seconded. All Vestry members present voted in favor. None opposed. The motion was passed
- Harrison said that several people have noticed the lack of security on Sunday morning. We are working with CCES security guards and another outfit to try to get some security on site that would be more than traffic guards. We would still like to have a car with blue lights. We would like to have them on campus. It will be a little bit more expensive and it is included in the proposed budget.
- Betty Teague has asked for the Vestry to volunteer for convention on Nov. 8-9. She sent out a sign up online.
- Harrison reported that there are no tax consequences for putting up signs in parking lots. There is no monetary value attached to that.
- We are considering a mentoring program as part of the Bicentennial year. Susan Clark, Nelson Arrington, Kay Jenkins, and Tim Brockman want to help further that investigation. We currently have \$30,000 in pledges towards that endeavor. There is an interest, so we will continue to pursue it.
- We have been asked to make our vision and mission more explicit. Our Mission is to Embrace, Equip, and Empower apostles to serve Jesus Christ. The Halloween Festival was a huge success—last year we had over 350 attendees, many who were not parishioners. That is a concrete expression of Embrace. We want to welcome and include our members. As Episcopalians, we have a hard time being evangelists. Volunteering is an easier ask; implicit in that is outreach. It empowers people when they have an experience with their community. We have two aspirational verbs in the mission statement. As a group, you should be able to measure anything we are doing by that mission statement. It is operative and directional. I will begin to offer examples at every Vestry meeting. We did that at our staff meeting this morning. There are

some people who did not know the difference between a disciple and an apostle. I won't make assumptions about what you know.

- Jim Bumgardner said he doesn't want it to be such that we can back into everything we do. Let's make sure that we're not backing into it. Let's think through these things as we try to focus in on what we are going to do.
- Harrison said that we're not going to hire a parish nurse. That's not the best and highest use of our funds. That is not going to get us to where, say, a Young Adult minister is. That is the greater need. You must be able to see results.
- The Outreach Budget—there is a desire on the part of the Vestry to raise the Diocesan Asking. We need to give some direction to the Finance Committee, the leadership staff, and the Budget Committee. If the number is not \$305,000 next year, then what is the number. They ask for roughly 16%. It's approximately \$480,000. We give \$305,000. 1. We can't afford it. 2. We still live under the burden of the 2003 ruling that says we are going to send it to the universal church.
- The desire of the Vestry is to get back to 10% Outreach Budget where we are currently at 8%. We established 10% as a goal. It was amended that 10% was a minimum. We have been faithful to that since 2009. We are in the ballpark this year. Last year I began to request that we think about our budget more holistically. There are expenses that are not part of that Faith in Action budget. For example, the Youth retreat comes from the Faith Development budget instead of Faith in Action. The cost of heating and cooling the Scout Hut and Canterbury Counseling Center is approximately \$11,000. We didn't count that as outreach. We went to the Faith in Action Committee last year and they accepted about \$20,000 that we expend for outreach that is not in their budget but that we include as expenses. I've already shared this with the Faith in Action Committee. This is an invitation to think, discern, ponder. I would expect everyone to weigh in on this.
- Outreach is money we spend on the community around us, not on us. If we were to rent out the Canterbury Counseling Center building, we would have \$52,000 in revenue. We rent it to them for \$1. They would not be able to offer that ministry if we did not rent it to them for \$1. The Sterling Hope Center would rent for approximately \$38,000 a year for the building on Dunbar. What we do know is that we rent that building for \$1. They sublet it for \$17,500 to St. Francis. Our tenant (65% of the building) is renting it at a profit. That is \$90,000 in forfeited revenue. If we charged that revenue, we would have an additional \$90,000 in our budget. There is another \$32,000 in other categories—HVAC equipment, heating and cooling units. Those are getting towards the end of their life. When they break, we will fix them. That money would come out of a reserve like the Parish House fund. That is still an asset that we would be using to fund mission work. The Diocesan Asking is \$305,000; 5% is used for Diocesan outreach. All that totals up to \$232,000 dollars. So, I am looking for some clarity and some direction from the Vestry. We've talked about desire to increase our Asking. The Bishop is looking for a "meaningful" increase. In his mind, it's 10%. He's looking for \$30,000-48,000.
- Discussion followed: we're part of the Episcopal church. The Diocesan Ask goes to every church. They give 16% of their budget to other churches. That money goes to support the Bishop and the big churches. The smaller churches get some money back. Of the 16%, 10% is a tithe. That institution asks member institutions to tithe. 6% is what it costs to insure clergy. This parish pays

nothing for Harrison's individual healthcare. Our parish priest's insurance is \$21,000. We are helping some of the smaller churches through the Ask.

- The college ministry is highly effective. I can't tell you how many people come to the Episcopal church because of the college ministry. We have no college chaplains in our Diocese. The Bishop will tell you that is one of his priorities. Of the eight in our district, we are bishops or rectors. The South Carolina Camp and Conference Center is pitiful. More money to the Diocese would make that a much better place. The diocese has endowments, too. Approximately 65% of parishes pay the full asking. 35% do not.
- The question becomes, what is a priority to you? But if we want to increase to full asking, we must cut about \$30,000 from our budget. Do we want to cut our own programs? In 2003, \$3.2 million was our budget. Think about inflation. It's not like we are in the same financial shape we were in 2002. We must make choices and I don't think we can increase the Ask. We still need to turn a little more inward to make investments within the church. If we don't make these investments, in 10-15 years we will see the ramifications of those investments. Use these wonderful gifts to build an even stronger foundation in this church so that we can, in 10 years, give the full ask willingly.
- We are part of the Diocese. We are part of the process and the budget. We weren't well represented on the deck. We do have the opportunity to influence the budget. We have said as a Vestry that we want to do something. But we realize what we can do is very little. If we made a choice to increase it by \$10,000 in three years, it would have some effect. Even with \$10,000, we would have to make some adjustments. That seems reasonable to me to make some small adjustments. Next year we can sit back and say we want to do something. If we had done that six years ago, we would be \$60,000 into that process.
- If we increase by ½% a year until we get to 10%; if we offered 5% and we draft a letter to the bishop, not based on the 2003 resolution. If we covenant to him that we are taking steps to make our full commitment. If we can offer direction to the budget committee, etc. then they can have something to work with. That would be a meaningful step—it isn't everything we want. This resolution has guided our lives for the last 16 years. That might be a good first step.
- Ny virtue of growing our programs, let's put 10% of our revenue growth to the Diocese every year. Let's give them 10% of what we're growing. We've got to show good will. Let's take the revenue we're taking in by growing. It incentivizes us. If we tie it to revenue growth, we'll never get to full compliance.
- We must take into consideration our core values; so, by not working towards being fully compliant with the Ask, I don't think we can say we're being faithful and showing gratitude of being in this Diocese. I think it's a little bit narrowminded to say that we always know what is best to do with our money. I have a lot of faith in the Diocese. I think we need to look beyond ourselves and trust our Diocese. I think we will benefit from what the Diocese does. I don't think it's realistic to plan to do it incrementally.
- It's incumbent of everyone in this room to answer the question of why we're asking for more money, but we are sending it away. You must be prepared to answer that question. We are the leaders of the church, so we must answer.
- We can start a pattern of behavior. Let the Vestry decide next year. A resolution holds us more accountable. The resolution says that this is important to us. Call it a goal.

- There is wisdom in incentivizing us to grow. This Vestry has the authority and wisdom to make a change and we may by undoing the 2003 resolution, by being transparent with the fact that we are not burdened by it.
- The church can't be punitive. I would love for it to be the whole thing. Because we are part of a big church and there are so many groups that could use assistance because of this. "To whom much is given, much is required." It's giving that we must do. It's not political.

The Vestry crafted the following resolution:

Recognizing that we want to be faithful, we covenant to increase our Diocesan Asking by a minimum of ½% of revenue a year (as currently defined) until we reach full compliance with the Asking. This does not include reserves or endowment.

Anne Arrington made the motion that the Vestry accept the resolution. Penn Williams seconded. Jim Baumgardner opposed. All others approved.

Senior Warden's Report

- Ben Horne said that the three Habitat builds are about to wrap up. Please make an opportunity to be involved. It's a marvelous thing that is happening. You can take food or swing a hammer.
- The Bicentennial presentation on Sunday was fantastic. Now I see the structure of the plans and I think it is fantastic.
- My heart has been small group ministry. So many places that can be built up. For example, Holtie used herself as an example to plug people in electronically. The Coffee and Connect is a great opportunity to reach out to visitors.
- Annual giving—as a Vestry we have asked about having more teaching. Kellie did a great job talking about the tithe. We give an average of 1.4% of our income. There is so much room for growth. A very small increase makes a tremendous difference.
- As for the educational outreach—to see and hear what happened in Tyler, Texas, with the choir school—about how they reached into the community and the results. I am in full support of that personally because it gives us an opportunity to reach out and bring others to our doors. This will give an opportunity to bring them in our doors.
- Halloween festival is a great way to bring in the unchurched. Brings in a lot of people. That kind of outreach is great.

Junior Warden's Report

- Ashley Reynolds gave an Annual Meeting (Nov. 17) overview—we all need to be cheerleaders for our circle of influence. This year will have a new format—as opposed to written reports, reports are done electronically so people can read at their leisure and digest the information. The actual meeting will be a time for the parish to ask questions as opposed to hearing a report. There will be a combined 10:30 am service with Thanksgiving-themed music. Immediately following the service, Harrison will formally open the meeting. We anticipate a 15-minute meeting. Lunch will follow in the All Saints Center, catered by Project Host. It will be a buy one, give one. The overall theme is the Great Thanksgiving. We are giving thanks for what we have been given for the past year and what we have to look forward to for the Bicentennial year. It will be a gumbo lunch, with salad and rice pudding. We have the kids involved by sending home

pumpkins to write what they are thankful for. They can put their pumpkins on the wall to show what they are thankful for. You'll see this information in the Community News in November.

- Cotton reported that the Annual Giving is at 41%--\$1.14 million; 310 pledges (36% of goal); 18 new pledges (14% of goal) increased pledges at 191 (48% of goal). Tomorrow at noon is the Annual Giving Resource meeting at the Taylors Free Medical Clinic.
- Harrison explained that at this time last year we were at 47%. We have previously had a kickoff event. We had a Bicentennial Kickoff instead to let them know that anything they committed was above their pledge. We're calling on those folks individually. We have not received the pledges from the major donors. I have asked our major donors to make their pledge and increase it; I asked them to make a \$25,000 pledge to the Bicentennial; and I asked them to make a \$30,000 pledge to help us get through this year. No one has said no at this point. We have \$30,000 committed for an outreach project portion, \$30,000 for the Garden Tour, and \$25,000 for up-coming expenses. That is a total of \$140,000 for the Bicentennial. My hope is that we get to \$2.8 million without those gifts. I am so pleased with this parish.

Treasurer's Report

- Dan Seaman said we're still on track to finish on or above budget. Expenses are running well under budget. We had a gangbuster month on pledges. Just a little under on pledges so far. In other gifts we may have a little bit of a challenge. I'm guessing that we'll come in a little under on the giving budget.
- On expenses we are under because of salaries and benefits. We are under budget or pulled more reserve. Most will resolve before the end of the year. We could be under expenses by \$50,000 to \$100,000 depending on how some things happen as we catch up on endowment and reserves. We have \$40,000 uncovered expenses with consulting fees. We want to revisit borrowing money for that when we have money in the bank. We'll talk more about debt reduction later. As for History Lives, we have not received much this month. We had interest expense and \$205,000 loan balance. We expect that we'll have a good 4th quarter. We expect that we can pay off the loan after Nov./Dec. We will see how much we have available for the debt reduction after the end of the year.
- George reminded the Vestry that there are 47 donors that have not met 50% of their pledge balance. Within that, there are probably five who will not be available to meet that pledge at all. There are seven that have a \$10,000 balance that are questionable. That leaves 37 donors for the unpaid balance. Quarterly statements are going out in a week or so. Harrison will be including a letter asking them to honor their pledge. Harrison is reasonably confident that we will have some success. Some of them have left the church. That's about 12-14% of our campaign.
- George asked what is the normal attrition at the end of a campaign? Harrison relayed that Holy Cow Consultant Rob Townes said that you can reasonable expect 5% to not come in on average. Harrison's best guesstimate is that \$750,000-800,000 is what we'll get. Maybe this year, maybe not until the end of next year. Chris and Suzanne did a study on annual giving and it appears that about 5% of the pledges that were made were not fulfilled. We don't have the benefit of a latecomer to help fill in the numbers on the History Lives campaign that we do on Annual Giving.

- George said that if we paid off \$1.1 million in debt, that would eliminate 4% (over \$40,000) that would easily make that Diocesan Asking. It doesn't make sense for a charity to carry a debt. I think we'll have some encouraging news and options on retiring that debt. Dan and Chris have done a masterful job on forecasting. We will look at long-term debt no later than at the Vestry Retreat. Cecil reminded the group that there is a Doorways \$500,000 last-to-die life insurance policy. It has a \$495,000 cash value now.

Endowments

Dan presented an endowment distribution request for the Hatch Fund. He explained that the Hatch Fund is for significant repair costs that are 10% or greater that we don't expect to have repeated. George E. McCall made the motion to approve the request. Ashley Reynolds seconded it. None were opposed. Ben and Harrison signed the document to officially present to the Endowment.

Approval of September Meeting Minutes

The September 17, 2019, Vestry meeting minutes were distributed prior to the meeting by email and were presented at the meeting by Elizabeth Fletcher, Secretary of the Vestry. Harrison asked for a Vestry member to make a motion to accept the minutes. Anne Arrington made the motion. Elizabeth Fletcher seconded. Corrections to minutes: "CCEP bylaws were not made available." "Head of School," not "Headmaster;" "a stipend of rent be given back to Christ Church..." All Vestry members present voted in favor; none were opposed. The motion carried.

New Business

Harrison reported that we would like to renovate the old bookstore to make it a coffee parlor. The women of the church want to be able to sell prayer books and cards. One of our efforts under the Embrace Committee is to offer a Coffee and Connect space. That committee wants to staff it and welcome newcomers on our campus. We have estimates for \$8,000-10,000 to replumb, paint, do a little refurbishing and add a little furniture. The source would be the Parish House Fund which is like the Hatch fund. I would like to ask for a motion to allocate \$10,000 and to request a distribution from the Endowment board. We will meet on the 28th of the month. Jim Baumgardner made the motion to include up to \$15,000. Ben Horne seconded. All Vestry members present voted in favor; none were opposed. The motion carried. Dan will get the document to Harrison and Ben to sign.

Harrison said that Vestry election candidates will be introduced in all services on October 27. The booklets will be printed and mailed. We will provide electronic voting via email. We will give results at the Annual Meeting.

Ministry Area Reports

Ministry Area Reports from department heads were distributed prior to the meeting via email. There were no updates or additions.

The committee went into an **Executive Session**.

Respectfully submitted, Sherri Allred, Clerk of the Vestry