

Christ Church Vestry Meeting Minutes
April 21, 2020, 5:00 PM
Via Zoom

Attending: Harrison McLeod (Rector), Ben Horne (Senior Warden), Ashley Reynolds (Junior Warden), Anne Arrington, Nelson Arrington, Milton Bates, Emily Davis, Jordan Earle, Elizabeth Fletcher, Mac Gentile, Norma Givens, Nancy Kennedy, Chris Klasing (Co-Treasurer), Wade Kolb (Assistant Chancellor), George E. McCall, Cecil Nelson (Chancellor), Dan Seaman (Co-Treasurer), Laura Whitney (Secretary of the Vestry), Penn Williams, Helen Wynkoop, Sherri Allred (Clerk of the Vestry)

Guest attendees: Rob Townes and Gina Snider from Sinclair Townes Consulting; Lauren Sigmon, CC Resource Development Director

Executive Summary of Actions:

- **Vestry adopted a debt reduction plan.**
- **Vestry approved first quarter endowment draws of \$120,000.**
- **Vestry approved second quarter endowment draws of \$120,000.**
- **Vestry designated \$10,120 from the Parish House fund for CCEP K2 playground renovation.**
- **Vestry approved the 2020 CCEP Budget.**
- **Vestry approved the 2019 Parochial Report.**
- **Vestry approved electronic nominations through email for fall elections.**
- **Vestry approved the March meeting minutes with one correction.**

The Rev. Dr. Harrison McLeod opened the meeting with prayer at 5:01 PM.

Harrison introduced Rob Townes and Gina Snider from Sinclair Townes Consulting and Lauren Sigmon, CC Resource Development Director. Rob and Gina presented results from the Feasibility Study completed earlier this year. The complete Feasibility Study was provided to Vestry members prior to the meeting. Recommendations gleaned from the study are attached at the end of these minutes.

Vestry discussion surrounding the study results is as follows:

- Harrison and Lauren will present results to the 38 parishioners who provided personal interviews during the study and with the 15 parishioners who were able to make an estimated pledge amount.
- Resource Development will compile a mid-year report to answer questions and provide additional information to the parish including budget and financial information and Vestry reports.
- It is crucial that the Annual Giving Campaign is a success in order to make the 2021 budget robust.
- Capital and Legacy giving campaigns will be deferred until 2021.
- Leadership identification and recruitment, training of steering committee members will take place in the fall of 2020
- Vestry will make decision about a 2021 Capital Campaign in August or September of this year.

- During the current COVID-19 pandemic, Sinclair and Townes has found that relief organizations are still successful with fundraising, but churches and other non-profits are delaying fundraising until things settle down.
- In the meantime, Christ Church will take the opportunity to get information to the parish and answer questions that were raised during the study.
- It is widely agreed that the Parish House kitchen needs extensive renovation.
- The new normal includes a significant value in upgrading technological abilities. It is crucial to invest in digital communications equipment in order to provide social media and other online services to parishioners who cannot attend church in person and to those non-members who are being reached through the current offerings.

Rector's Report:

Harrison's complete report to the Vestry was sent via email prior to the meeting and is included at the end of these minutes. He additionally reported the following information during the meeting:

- \$568,412 funds from the CARE loan were deposited today. He said the business office and treasurers did an incredible job gathering information and submitting the loan application package. The federal assistance was on a first-come first-served basis.
- Continues to work with the website developer and hope it will be finished and in place sometime this summer.
- Faith in Action has served 6,427 meals since the beginning of the pandemic; with over \$4,380 received plus donated food, Christ Church has given in excess of \$12,000 in food to the community
- Resource Development has received over \$14,000 in new pledges in the last two weeks and continues to explore ways to encourage folks to continue their giving.
- Communications is producing excellent online work. Please invite folks to come to Sunday School or join Christ Church on social media. The number of viewers including members and non-members are strong.
- He sent a letter to the Bishop today requesting clarifications on what church will look like after social distancing has passed. It's incredibly complex and there are a lot of questions about how reopening is going to happen and how we will maintain our safety.
- The Joyful Garden Tour is rescheduled for October 9-10, recognizing that is the same weekend as Fall for Greenville and may present traffic issues.

Warden's report—no report.

Junior Warden's report—no report.

Treasurer's report:

The Treasurer's Report was distributed via email prior to the meeting. Chris updated the Budget worksheet with the actual data from March. Updates included \$50,000 in income from CCEP parents, \$568,412 in funds from the SBA CARE loan, and a surplus from January and February. This leaves a budget deficit of approximately \$60,000 rather than the \$330,000 they previously calculated. He said that Suzanne Mize estimates that we should have to pay back about \$60,000 at the end of the year.

Through the month, we have received about \$100,000 in pledge income versus our budgeted amount of \$199,000. Chris said that tells him that the 25% shortfall estimate is accurate.

Dan Seaman presented a debt reduction plan that assumes the sale of a church property. The proposal suggests the following:

- Redeem a church-owned life insurance policy for its cash value and apply that to loans— proceed now
- Apply History Lives funds in reserve to loans
- Establish a Vestry-designated “Property Sale” reserve and book the sale proceeds into it. Funds in this reserve to be used in accordance with this recommendation as the Vestry directs.
- From the “Property Sale” reserve, complete paying off the TD amortized loan and the 101 Broadus loan.
- Book additional History Lives contributions into the “Property Sale” reserve, paying back the funds “borrowed” from the reserve to retire debt and used in anticipation of the additional History Lives donations.
- At an appropriate point in time, when and as directed by the Vestry, shift the Property Sale reserve balance into a newly created Vestry-designated Endowment fund.

Motion: George McCall made the motion to adopt the debt reduction plan that as presented; Mac Gentile seconded. **Discussion:** Cecil noted that we are still in the due diligence period until May 7 for the property sale and that we should wait to proceed until after the closing date on June 8. Nelson suggested that Dan only proceed with the life insurance policy and put that towards the loan as long as the value is greater than \$475,000. The other pieces would wait until the property closing proceeds are available. **Vote:** Approval was unanimous. The motion carried.

New Business:

1. Endowment draws—Chris Klasing said the business office did not make draws last month because the funds were under water. He recommends a draw of \$120,000 for the first quarter and \$120,000 for the second quarter. The Endowment Board will meet next week. The draws will go to fund outreach work that has been deferred.

Motion: Ashley Reynolds made a motion that the first quarter endowment draws be accepted as presented. Nelson Arrington seconded the motion. **Discussion:** Anne Arrington said that it is critical that we get these funds to our emergency ministries. The Faith in Action Committee wants to have a called meeting to prioritize the distribution. Harrison said those funds can be sent immediately. **Vote:** Approval was unanimous. The motion carried.

Motion: Jordan Earle made a motion that the second quarter endowment draws be accepted as presented. Anne Arrington seconded the motion. No discussion. **Vote:** Approval was unanimous. The motion carried.

2. K2 Playground Renovation

Motion: Helen Wynkoop made a motion that Christ Church designate \$10,120 from the Parish House fund to pay for half of the cost to renovate the CCEP K2 playground. Ashley Reynolds seconded the motion. No discussion. **Vote:** Approval was unanimous. The motion carried.

3. The 2020 CCEP Budget was presented for approval.
Motion: Helen Wynkoop made a motion to approve the CCEP Budget as presented. Nelson Arrington seconded the motion. **Discussion** followed concerning budget impact resulting from the COVID-19 impact. **Vote:** Approval was unanimous. The motion carried.

4. 2019 Parochial Report
Motion: Nelson Arrington made a motion that the 2019 Parochial Report be approved as presented. Anne Arrington seconded the motion. No discussion. **Vote:** Approval was unanimous. The motion carried.

5. Electronic nominations—the Nominating Committee requested (via Ben Horne) that the Vestry approve electronic nominations for Vestry elections beginning in the fall.
Motion: Anne Arrington made the motion that the Vestry approve electronic nominations for fall elections through the use of email which does not negate paper nominations. No discussion. Elizabeth Fletcher seconded the motion. **Vote:** Approval was unanimous. The motion carried.

Approval of March Minutes:

Harrison presented the minutes from the March meeting—

Motion: Nelson Arrington made the motion to approve the minutes with the correction that the CARE loan can be up to 2.5 months of payroll (not 2.5%). George McCall seconded the motion. **Vote:** Approval was unanimous. The motion carried.

Harrison closed the meeting with prayer.

The meeting was adjourned at 7:42 pm.

Rector's Report to the Vestry (via email) April 20, 2020

Worship

You may have seen the Bishop's latest communication, but if not, he is continuing to prohibit public, in-person worship services until May 15. Assuming we are able to regather after that, the first services we could hold would be Sunday, May 17. May is always a busy month and this year is no exception. Among the considerations are:

May 10 - Bishop Waldo's virtual visitation & Mother's Day

May 17 - "Normal" Sunday

May 24 - "Normal" Sunday: I had been scheduled to take a vacation the week of May 20-26. Those plans are on "hold" until we have a bit more information regarding COVID-19, physical distancing, and public worship.

Our online shrives continue to be a means of providing worship for our parishioners. By the numbers (see attachment) we seem to be reaching people effectively. We will continue to provide these opportunities as long as our services are suspended and would certainly like to continue to provide effective online content even after this crisis.

As we anticipate reopening the church for public worship, careful consideration will be given to how we proceed and how we acknowledge the journey from suspension to reopening taking into account delayed funerals and weddings, easing of physical distancing, necessary precautions, and other pastoral concerns.

Our **Communications staff** has risen to the task of preparing these virtual offerings and deserves special mention and out thanks.

Faith Development

Our online Christian Education offerings have grown in number and in quality. We now have in place certain specific goals for increased participation across these offerings and can track progress toward meeting these goals weekly. The Stress Resilience class had 58 attendees which was a high for us. This class is specifically advertised to the 35-60-year-old age group, but the invitation is sent to about 1,200 emails. Because the 35-50 year old group told us they had children underfoot at the 9:30 scheduled time for the Stress Resilience class we have now begin to offer a 2nd class titled "Current Events and our Christian Response" which begins at 11:00 - 11:45. This class had 29 in attendance yesterday. Like the Stress Resilience class, we are targeting a specific age group (20-25) but the invitation is sent to 1,200 emails.

I have given some thought to offering a prerecorded "Rector's Forum" which would consist of a brief bible study, or perhaps some themed class. I do not believe its previous format consisting of a 45-minute lecture accompanied by Power Point would be effective. So, I am trying to figure out what will be effective with the demographic that has been without this particular style of Sunday School since we suspended services.

Our youth ministers and children's ministries continue to offer meaningful content to their respective age groups and their efforts have made a real impact on the youth and children in the parish.

Resource Development

Our Quarterly Statements were mailed last week with a letter outlining some information and news about our parish in the 1st few months of the year. We hope this will be an encouragement to parishioners to maintain (if they are able) their pledges and celebrate some of the good ministry that is continuing.

We will have a presentation from Rob Townes and Gina Snider about the feasibility report and capital campaign recommendations going forward. After their presentation, we will have a chance to ask questions and seek clarification before considering next steps. Overall, I am very encouraged by their findings, but recognize the study was conducted prior to the COVID-19 outbreak changes we are facing.

Pastoral Care

We continue to reach out to everyone in the parish by phone to maintain connections and determine ways to help those facing particular challenges. Thanks to you who were able to participate in making calls to parishioners who pledged. I found myself on the phone a lot longer

than O had planned, but the responses I received were positive across the board. We will divide up the remaining parishioners and begin those phone calls (With your assistance and the entire staff, as appropriate) before the end of this week.

We have had a number of parishioners test positive for COVID-19. Some have recovered, others are still in the midst of the illness. So far, we have had no deaths at Christ Church as a result of the virus.

Last Sunday we held two "virtual funerals": Frank Dana and Nina Lucas. In both cases, we abided by the Bishop's prohibition regarding weddings and funerals with social distancing in place and no more than 3 people in attendance at any one time. Both families are interested in having a memorial service for their loved ones after we are able to gather as a church community once again.

We have had several weddings rescheduled for later in the summer.

CCEP

The preschool was on spring break last week. Prior to their break, as remote learning continues, we will be to really evaluate our first month remote learning. Christine has worked with the teachers to develop learning plans and also a means of evaluating the teacher's efforts.

We will have a budget to consider tomorrow night. Please see the attached PDF for your review and note that it reflects pre-COVID-19 numbers. I expect us to either pass this budget and then have the Preschool business office work with the church business office to reflect our current circumstances (income & expense), or NOT pass this budget and present a revised budget at the May meeting.

This has been a very interesting time to witness the relationship between CC & CCEP as a significant ministry of the church which will not support itself during this budget year. This fiscal situation gives rise to more conversation about how we understand and fund ministries. I don't expect us to arrive at any conclusions tomorrow evening, but would welcome further exploration.

Faith in Action

We will have 2 quarters (1st & 2nd) of outreach distributions to consider at the meeting. The endowment seems willing to fund our ministries at the full 4.5% distribution level at this time. That level of funding could change for the next calendar year, but there is much to consider as the board moves forward. I expect that there is sufficient room in our cash position to pay out the first quarter endowment portion to our partner ministries which will be good news.

We have done a fantastic job of deepening our relationship with Project Host. To date we have prepared 5,747 lunches for Project Host, received \$2,605 in donations, and paid \$2,573 for food. These dollars do not count the considerable amount of in-kind food donations we have collected in our effort.

Bicentennial Work

For obvious reasons, our Empower "outreach" efforts for the bicentennial have been put "on hold." The Choral academy as well as our 20 for 20 efforts are untenable either because of lack of access or physical distancing constraints.

The Joyful Garden Tour hopes to be rescheduled for the Fall and is awaiting a “Green light” from the Bicentennial Committee as well as the vestry. There are many valid and good reasons for offering the JGT this fall. The main concern for delaying further has to do with public perceptions as the community gets back to “life as normal.” **I expect the vestry to have significant input into this decision.**

It is also important to consider the “Service and Celebration Day” at Flour Field scheduled for September 26 and how that event may be offered with sensitivity acknowledgment of what the community will have experienced as a result of COVID-19.

Our Marketing/history magazine is still in the works though may be scaled back and reflect our most recent history and how we have experienced these past several challenging months.

Our Embrace (phone calls to parishioners) and Empower (Online learning and Daily Meditation) efforts are thriving and will continue through 2020 and beyond.

All in all, our Bicentennial year has not been one that any of us would have envisioned, however, we have learned significant lessons that will position the church for greater flexibility and effectiveness as we begin our third hundred years. As someone related in a webinar I have attended, we “should not waste a crisis” as an opportunity to learn and retool.

Support

It would be difficult to praise our business office adequately for the tremendous amount of work they have accomplished during these challenging times. **Our CARE Loan/Grant has been approved in the amount of \$568,000.** I signed the final paperwork today and the funds will be deposited to our TD account soon. As a result of a tremendous amount of help and support from our treasurers, we are now forecasting a deficit of \$59,000 at year end.

Dan will present a strategy to pay off our debt and establish a fund as a result of the Bank sale we have previously approved. Please be attentive to the attached document relating to his recommendations.

Dan and Chris are a blessing in ways that defy description.

In Conclusion

The church has made tremendous strides in addressing the pastoral as well as physical challenges posed by the Pandemic. I could not be more proud of our staff and our lay leadership during the time. My goal in such a long communication is two-fold: 1. Share pertinent information so you can better participate in leadership and 2. Make the best use of time tomorrow evening by sharing this information with you in written form as opposed to reporting verbally at the vestry meeting.

I welcome any questions, comments, or clarifications you have. Please feel free to email me directly or bring them up during our meeting tomorrow night.

Capital Campaign Feasibility Study

Recommendations

1. Based on an assessment of the responses received, and assuming active leadership and generous financial participation on the part of the Vestry, Christ Church should consider undertaking a \$6 million campaign, total over five-years, over and above what is raised for the 2021 annual giving drive.
NOTE: The amount of money that was “positively identified” during the study totaled \$4.6 million. If plotted on an S curve, the possible range of feasible income would be \$5.5 million at the low end, \$6.5 million on the high end, and \$6 million as the recommended goal. As a precautionary measure, unrestricted bequests that are realized during the course of the campaign can be directed by the Vestry to the campaign if such income is needed.
2. The campaign’s active phase (for leadership recruitment and donor identification, cultivation, and solicitation) must be expedited and should begin immediately and last until the end of the calendar year.
3. It is very important that the Vestry determine the campaign’s case for support that fits within the range of the parish’s philanthropic potential, giving special consideration to the restoration of Markley Chapel.
4. The campaign should be designed to have a “triple ask” to raise money for the 2021 annual giving campaign, the capital campaign, and for legacy giving. If a Legacy Gift component is added to the campaign, then deferred gifts identified during the campaign (also referred to as “expectancies”) should be counted separately from capital campaign gifts/pledges.
5. A successful campaign will depend, in large part, on the Vestry’s level of support for their “time, talents, and treasures.” (See Appendix H for a listing of Vestry responsibilities.) The leadership must have 100%, generous financial participation in support of the campaign.
6. As strong volunteer leadership will be crucial to the success of the campaign, the campaign chair (or co-chairs) should be charged with identifying, cultivating, and recruiting a campaign steering committee. (See Appendix I and Appendix J for a description of their responsibilities.) The steering committee will play a major role in lead gift prospect identification, rating and evaluation, cultivation, and solicitation during the campaign.
7. A well-defined communications program must be developed prior to and during the campaign. Specifically, a detailed case statement should be created to communicate the case for support for the annual giving effort, the capital campaign, and the legacy giving appeal. In addition, a periodic print and electronic campaign newsletter should be created to update the progress of the campaign. On-line giving capabilities should be promoted,

and the church's website should be continually updated, offering news and stories about the campaign.

8. Named gift opportunities should be developed and offered to help secure major gifts and to recognize major gift donors (or persons who are special to major gift donors).
9. Donor "ask" and gift amounts should be shared among the members of the campaign's steering committee. Donor confidentiality should be such that there is absolutely no discussion of gift amounts beyond the ranks of the steering committee, except perhaps by members of the finance committee or other authorized persons.
10. A campaign of this complexity will require directing staff energies toward its success. Counsel should work with both lay and ordained parish staff to help structure them in such a way as to maximize efficiency.
11. The Bishop's support for the campaign should be actively sought and secured.

Recommendations Postscript

Due to the dire circumstances surrounding the coronavirus and its devastating effect on the stock market and the normalcy of our daily lives – all of which fully manifested themselves after the conclusion of the study – it is recommended that the capital and legacy gift portions of the campaign be deferred until such time as the coronavirus threat has lessened and the market shows signs of recovery. At that time, Counsel should re-contact the Top 15 identified donors to inquire if their giving levels indicated during the study will remain consistent. Depending on their response, the Vestry will need to determine if the capital and legacy gift efforts can be resumed this Fall and operate concurrently with the annual giving drive or deferred until the new year. Also, depending on the findings of the Top 15 donors and the determination of the Vestry, the decision should be made if the campaign goal should remain at \$6 million, or reduced as appropriate to the circumstances.