

Christ Church Vestry Meeting Minutes
Tuesday, February 18, 2020, 5:00 PM
Earle Conference Room, Parish House

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, Nancy Kennedy, Chris Klasing (Treasurer), George E. McCall, Cecil Nelson (Chancellor), Dan Seaman (Assistant Treasurer), Laura Whitney (Secretary of the Vestry), Helen Wynkoop

Absent: Sherri Allred (Clerk of the Vestry). Norma Givens. Wade Kolb (Assistant Chancellor). Penn Williams.

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

Executive Summary of Actions:

- Vestry approved 2020 budget with a \$137K deficit. \$45K in one-time gifts and up to \$100K from 2019 budget surplus was allocated to cover the deficit.
- Vestry authorized the use of \$15K from the Capital Projects Reserve Fund to paint the house at 107 Broadus.
- Discussion regarding Finance Committee's debt reduction strategy was tabled pending reconsideration at a special Finance Committee meeting.
- Vestry approved Christ Church representatives Paul Landis, Rebecca Wentzel, and Elizabeth Fletcher to the Canterbury Counseling Center board.
- Vestry approved the creation of the Beth Croft Memorial Garden Fund within the endowment.
- Corporate resolution to approve as signatories for the church, the Rector, Co-Treasurers, Senior Warden, and Parish Administrator was approved.

Guest Presentations:

- Harrison welcomed and introduced Lillian Hardaway, who will be working with youth and has joined Hannah in that endeavor. Hopefully she will be able to expand upon Hannah's work with youth formation. Vestry welcomed Lillian.
- Wayne McDonald presented a summary and update of the Launch Committee's activities for the Choir School project, which has been renamed the Church Street Choral Academy.
 - The plan is to serve the larger community as an outreach ministry, not just as a church group.
 - They are looking at this as more than just developing a choir. Outreach will include after school programming and meals, having the choir perform at the church.
 - Launch Committee met with Bradley Wingate, Director of Fine Arts for Greenville County Schools, who will assist with advocacy and recruitment within the targeted schools.
 - Trip to St. Peter's School in Charlotte, NC to learn about similar successful program.
 - There will be a presentation during the Rector's Forum Sunday, February 23.

Rector's Report:

- Great beginning to bicentennial year. Kickoff was wonderful celebratory day. We have not yet found the time capsule.
- Wonderful past weekend included Rebuild Upstate with 50 volunteers. 180 volunteers helped to assemble bicentennial bags.
- Coffee and Connect begins Sunday Feb 23. Encouraged Vestry members to volunteer for C&C.
- Harrison went to interview a clergy couple in Austin, TX. Would like to continue that conversation, and would like Vestry members to meet them while they are here in Greenville.
- Currently brainstorming ways to reach and provide programming for the 35-50 year old demographic.

Senior Warden's Report:

Ben Horne asked that we keep small groups in the forefront and encouraged Vestry members to participate. He is interested in a leadership development Bible study.

Junior Warden's Report:

Ashley Reynolds: no report.

Treasurer's Report:

- Chris Klasing informed the Vestry we are off to slow start this year. Pledge receipts are a little below budget, revenue almost 3% below budget. Expenses this year are about \$8100 under budget, but Faith in Action has not started program work yet pending an approved budget.
- Added a ministry area called "Administration" to the financial reporting. This includes program expenses for Giving, Communications, and HR, as well as the staff and the portion of clergy salaries for these areas and for administering the parish.
- We will begin including the Preschool results in the auxiliary agencies section. Cash flow will go negative in May if do not act before. Deficit of about \$137,000 this year.
- History Lives construction loan paid off, using incoming pledge money to make principal payments on the \$2M church debt.
- Notified of gift from Donkle fund, in amount of about \$150,000, set aside for maintenance of church and parish house. Withdrawals probably limited to 4.5% per year.
- Chris introduced the Finance Committee's 2020 budget recommendations (Item #1 under New Business).
- Dan Seaman reviewed debt reduction strategy with a power point presentation.
- Reviewed unknowns involved, bank rental property income/impact on budget, TD loan, and 101 Broadus loan.
- Introduced and detailed Finance Committee's debt reduction strategy (Item #3 under New Business):
 - Residual HL cash put into debt repayment reserve
 - Use for loan principal payments
 - Cash out the life insurance policy - \$494,676
 - Retire the Broadus Loan - \$330,000
 - Balance added to the debt repayment reserve
 - Avoided Broadus interest channeled to debt payment reserve
 - Additional HL pledge receipts applied to TD Bank loan
 - Implement now, revise on bank sale

- Get Property Committee recommendation on 101 Broadus maintenance reserves
- Dan alerted the Vestry that for now surplus HL proceeds are going into debt reduction reserves.

Approval of December and January Meeting Minutes:

- January minutes: Anne Arrington noted that the Choir School was also called the “afterschool program” in the minutes and suggested a correction for consistency. Harrison suggested a parenthetical correction saying the choir school and afterschool program are the same entity for the purposes of these minutes. Ann also noted that “Faith in Action” should be changed to “Empower Committee” in the *Faith in Action Reallocation of Funds* section. **Motion to approve with corrections as noted: Anne Arrington. Second: Elizabeth Fletcher. Vote: Unanimously approved.**
- December Minutes: **Motion to approve as presented: Helen Wynkoop. Second: Jordan Earle. Vote: Unanimously approved.**

New Business:

Finance Committee Recommendation #1: 2020 Budget

- Motion: Finance liaison to vestry/George McCall.
 - Adopt 2020 budget as proposed, with a \$137,000 deficit.
 - Apply \$45,000 in one-time gifts to the deficit.
 - Apply up to \$100,000 of the 2019 surplus to the deficit.
- Discussion:
 - This was based on adjusted annual giving of \$2.7 M, Harrison states may get closer to 2.65 realistically. 2019 surplus is around \$200K. Previous surpluses have been set aside to cover future deficits. It is common to run a surplus one year, and a deficit the next year. How will we meet the 2021 budget if we continue to run a deficit? Concern raised about moving forward with this year’s budget without addressing factors that contributed to the 2019 deficit. Harrison noted a large impact due to loss of 2 large pledges leaving church, another with life changes, another 2 with moving away. The Vestry received a handout with an analysis of LYBUNTs. While we know specific reasons for some pledgers, do not know why the total numbers of pledges are down. Hoping with embrace efforts to see improved pledge numbers next year.
 - The \$45,000 in one-time gift to reduce deficit comes from \$100K already donated to the future capital campaign, and if donor would allow us to use \$45K for Sinclair, Townes, & Co., capital campaign consultant, then the budget surplus from last year becomes about \$245K because there is already an item in the budget for Townes.
- **Motion: George McCall. Second: not required since motion comes from committee. Vote: 10 in favor, 3 opposed (Nelson Arrington, Elizabeth Fletcher, Helen Wynkoop). Motion carried.**

Finance Committee Recommendation #2: Painting 107 Broadus

- Motion: Authorize the use of \$15,000 from Capital Projects Reserve Fund to cover cost of painting house at 107 Broadus Ave.
- Discussion: none.
- **Motion: George McCall. Second: Jordan Earle. Vote: Unanimously approved. Motion Carried.**

Finance Committee Recommendation #3: Debt Reduction

- **Motion:** Approve the Finance Committee's recommended Debt Reduction Strategy as detailed by Dan Seaman in the Treasurer's Report presentation.
- Discussion:
 - Nelson Arrington questioned, might the church rather take proceeds from insurance policy and put toward TD loan rather than the Broadus loan because matures sooner?
 - Milton Bates suggested possibly better to pay off older obligations first—TD loan is the older of the loans and the only one in place for doors/windows and HL?
 - Harrison reminded us that we typically rely on finance committee to bring us the best, most fiscally responsible plan of action. However, that does not mean the Vestry cannot make recommendations as well. Suggested send back to finance committee, vestry members welcome to attend, and ask them to consider the best plan. Recommended calling an interim special meeting of finance committee to address these issues, possibly Monday March 9 at 12:30.
- **Tabled pending special finance committee meeting prior to next routine finance committee meeting (March 16), prior to the next vestry meeting (March 17).**

Canterbury Board

- **Motion:** Approve Christ Church Representatives on Canterbury Board: Paul Landis, Rebecca Wentzel, Elizabeth Fletcher (stay on board but not as vestry liaison).
- Discussion: Christ Church representatives must be approved by the Vestry.
- **Motion: Elizabeth Fletcher. Second: Nelson Arrington. Vote: Unanimously approved. Motion carried.**

Corporate Resolution

- **Motion:** Authorize the following as signatories for Christ Church: The Rev. Harrison McLeod (Rector), Dan Seaman (Co-Treasurer), Chris Klasing (Co-Treasurer), Ben Horne (Senior Warden), Suzanne Mize (Parish Administrator).
- Discussion: Routinely necessary.
- **Motion: George McCall. Second: Milton Bates. Vote: Unanimously approved. Motion carried.**

Beth Croft Memorial Garden Fund

- **Motion:** Jordan Earle. Create Beth Croft Memorial Garden Fund in the Endowment.
- Discussion:
 - Jordan stated Beth Croft was very involved and interested in grounds and gardening here at the church. A fund within the endowment corporation will be used to make grounds and garden better as she would like them to be. Document has been drafted. Cecil Nelson helped to work through draft of the endowment document for the Beth Croft Memorial Garden Fund with Suzanne Mize.
 - Harrison explained that about \$221,000 in previous joyful garden tour monies have been held in reserve for this fund. An additional \$160,000 has been raised this year so far, and he is confident we may get to \$220,000-\$235,000 this year. The vision was to start the fund with around \$450,000, and it would function like the Hatch fund, except it is to be used for the grounds/gardens.

- Question was raised, why did they make this endowment not subject to endowment corporation standard distribution procedure? Harrison stated this was intended to allow flexibility in the utilization of funds in case of need for large repair or project.
- Expenditures would come to the Vestry for approval from the grounds committee.
- **Motion: Jordan Earle. Second: George McCall. Discussion: Vote: Unanimously approved. Motion carried.**

Ministry Area Reports:

Ministry Area Reports from department heads were distributed prior to the meeting via email.

Adjournment:

Harrison closed the meeting in prayer. The meeting was adjourned at 6:45 PM.

Respectfully submitted,

Laura K. Whitney
Vestry Secretary