



3 Chevy Chase Circle
Chevy Chase, MD 20815

**Vestry Meeting Minutes
September 21, 2021**

ATTENDANCE					
✝	Tony D'Emidio – '22 <i>Senior Warden</i>	✝	Susan Awad – '24 <i>Clerk</i>	✝	Rev. BJ Buracker <i>Associate Rector</i>
✝	Eric Fedowitz – '23 <i>Junior Warden</i>	✝	Edward Neufville III – '22 <i>Chancellor</i>	✝	Rev. Matthew Kozlowski <i>Associate Rector</i>
✝	Michael Petrucelli – '24 <i>Treasurer</i>	✝	Phoebe Miles – '22	✝	Lois McDonald <i>Parish Administrator</i>
✝	Mark Pelesh – '24 <i>Co- Assistant Treasurer</i>	✝	Cynthia Bryant – '23	✝	Smythe Kannapell <i>Comptroller</i>
	David Stanley <i>Co - Assistant Treasurer</i>	✝	Kathleen Dillon – '24	✝	Teri Ballou <i>Communications Manager</i>
✝	Chris Robinson – '23	✝	Robert Roop – '22 <i>Assistant Clerk</i>	✝	Todd Miller <i>Business Manager</i>
✝	Lori Shore – '23 <i>Assistant Junior Warden</i>			✝	Jennifer Sirangelo <i>Chair, Stewardship Committee</i>

A CROSS indicates that the individual was present, while an empty box indicates absence.

EXECUTIVE SUMMARY / ACTIONS AT A GLANCE	
✝ A quorum was present	✝ Rector's report
✝ Review and approval of minutes	✝ Reports from Clergy in attendance
✝ Treasurer's report	✝ Old and new business
✝ Wardens' reports	✝ Closing prayer and adjournment

DETAILS OF THE MEETING

Prayer for Wisdom, Guidance and Grace

Tony D’Emidio

A quorum being present, Tony called the meeting to order at 7:04 PM. Tony led the Vestry in an opening prayer.

Presentation of Minutes

Susan Awad

The minutes from the August 17, 2021 meeting were presented for approval. A draft of the minutes had been circulated in advance of this meeting. After a motion duly made by Tony and seconded by Lori, the members of the Vestry voted unanimously:

RESOLVED: That the minutes of the Vestry meeting held on August 17, 2021 are hereby approved at this meeting, and the Vestry directed that such minutes be placed on file with the Parish records of the other meetings of the Vestry.

Treasurer’s Report

Michael Petrucelli

Michael shared the month’s Treasurer’s Report. He began with a review of the August financial snapshot (excluding the Preschool and Kingdom Campaign). August revenue (\$103k) was near the BEST budget scenario (\$85k); revenue was up 17% vs. August 2020 but down 44% vs. August 2019. August expenses (\$179k) were within \$480 dollars of budgeted \$179k. Expenses were up 22% vs. August 2020, and down 3% vs. August 2019. The jump in expenses was due in large part to returning to more normalized operations, worship and programing. The August net loss of \$76k was less than the budget of \$94k loss. YTD net loss of \$351k is slightly less than the \$370k loss in 2020 but significantly more than the \$81k in 2019. The month-end cash balance was \$57,018.

Next Michael reviewed the Q4 budget (excluding the Preschool and Kingdom Campaign). Proposed budget expenses are \$593,534 vs. best case revenue of \$665,785 (+\$71,645 net), middle case of \$565,917 (-\$28,222 net), or worst case \$396,142 (-\$197,991 net). Susan asked if the Vestry reviews or approves the Preschool budget, and Michael and Smythe explained that the Preschool generally funds itself and its budget is reviewed on an annual basis since expenses are complicated to allocate monthly (e.g., the Preschool does not have a separate electricity bill, although they use electricity).

For the Kingdom Campaign, the most likely year-end Kingdom Fund balance will be \$1,242,402, assuming 75% of pledge payments made, net of funds reserved for previously approved projects. Reserved Funds include salary and benefit expense through December, and \$150,000 for the organ project. Approximately \$408K of capital expenditures, maintenance, salary and benefit expenses are currently paid out of the Kingdom Fund in 2021 will need to be absorbed by operating in 2022. \$975K of bequest funds were added to the Kingdom Campaign at the inception of the campaign rather than being invested in the endowment per the vote of the Vestry at the time.

Currently we project a loss of \$466K in 2022, assuming the Kingdom Campaign continues to fund \$408K of salary, benefit and capital expenditures.

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Michael asked for the Vestry’s approval of several recommendations. After a motion duly made by Mark and seconded by Edward, the members of the Vestry voted unanimously:

RESOLVED: That the Q4 2021 budget is approved.

After a motion duly made by Mark and seconded by Bob, the members of the Vestry voted unanimously:

RESOLVED: That the \$975k Colbert bequest currently in the Kingdom Fund be retained in the Kingdom Fund in order to continue funding a portion of items currently paid out of Kingdom Fund that would otherwise have to be absorbed by operating expenses.

The members of the Vestry discussed using alternative funding sources for near-term capital expenditures. Michael and Eric, in consultation with Tony and Todd Miller, recommended establishing an annual reserve fund of \$150k for capital expenditure items that can be funded from the Investment and Memorial Fund (currently holding \$3.47M). According to the endowment’s rules, 3-5% of the funds can be used annually for capital expenditures. Susan and Phoebe requested clarity on the motion to be approved, so as not to approve indefinite use of endowment funds annually into the future. Tony clarified the motion on the table to specify that the Vestry is only approving use of the allowable portion of endowment funds for 2022, such that future Vestries would need to vote proactively to approve future use of endowment funds for capital expenditures going forward. After a motion duly made by Eric, and seconded by Mark, modified by a friendly amendment offered by Tony, the Vestry voted unanimously:

RESOLVED: That, for 2022, the Vestry approves permission to use up to 5% of the Investment and Memorial Fund for capital expenditures.

Michael concluded his report.

Stewardship Report **Jennifer Sirangelo**

Jennifer Sirangelo, Stewardship Committee Chair, shared two documents with the Vestry that outline the Stewardship Committee’s roles and expectations as well as the 2022 Annual Giving Campaign Plan. Jennifer has worked to combine her secular expertise in philanthropy with the Diocesan fundraising training and best practices into the draft plan presented. There are other churches in the Diocese that have achieved 100% giving, and it only took them a few years to achieve that under focused clergy and lay leadership. Jennifer asked for the Vestry’s partnership in prayer and obedience to God’s call to giving and stewardship.

The draft plan incorporates many things we have done before as well as best practices she has learned. One is to have a theme – “We have come this far by faith” – to inspire parishioners and help them see giving as part of their faith practice rather than just another charitable contribution. The goal is bold: to have 100% of families who worship at our church giving. Specific asks will be made of different groups, with an overall goal of inclusivity.

New elements include celebrations of the start and end to the campaign. Giving will also be woven throughout different ministries (children’s ministry, Bible studies, etc.).

The Campaign will start with a leadership phase in which the Vestry, Stewardship Committee, Clergy and other leaders make their commitments before the congregation is asked. **The Vestry will be asked to make their commitments by October 10.**

Senior Warden's Report

Tony D'Emidio

Tony thanked the Vestry and all who contributed (especially Lois) to the farewell to Ed and Patty. Tony shared that he formally announced BJ as the priest-in-charge during this morning's staff meeting. It was a very difficult decision for the Vestry, and the Vestry is grateful to both BJ and Matthew for their leadership and service. We are in the process of putting together a communication to the parish about the entire leadership team during the transition (including Rev. Ruth and Father Mac).

The Vestry has its retreat this Saturday, Sept. 25 to discuss the Rector search. Pending the decisions on Saturday, we should update the FAQ document and communicate again with the parish about next steps.

Finally, Tom Parker recently resigned as chair the Columbarium Committee after many years of service. David Stanley was elected chair by the remaining committee members. After a motion duly made by Tony and seconded by Bob, the Vestry voted unanimously:

RESOLVED: That the Vestry approves David Stanley as chair of the Columbarium Committee.

Mark Pape has agreed to serve on the Columbarium Committee. After a motion duly made by Tony and seconded by Lori, the Vestry voted unanimously:

RESOLVED: That the Vestry approves Mark Pape as a member of the Columbarium Committee.

Tony concluded the Senior Warden's report.

Junior Warden's Report

Eric Fedowitz

1. Organ Project. Lewis & Hitchcock has sent a proposal for renovating the organ, totaling \$230k for 5-6 months of work which won't start until at least spring 2022. The expenditures will be in 10% increments over the course of the project. The Kingdom Campaign has \$150k allocated for this project, which leaves \$80k to cover the rest. Eric needs the Vestry's approval to move forward and sign the contract, identify a date and communicate with congregation. After a motion duly made by Phoebe and seconded by Lori, the Vestry voted unanimously:

RESOLVED: That the Vestry approves entering into a contract with Lewis & Hitchcock to undertake the organ renovation in 2022.

2. Rectory. The B&G Committee has reviewed a list of maintenance items for the Rectory. There are non-discretionary deferred maintenance items that need to be taken care of, and they plan to proceed with them. There also needs to be regular oversight of the property now that no one is living there; staff is working on an oversight plan. During the Vestry's August meeting, Lori raised the potential of renting the rectory. Todd investigated the tax implications of doing so, and the recommendation is not to rent it out but to leave it vacant. The Diocese hired outside counsel to advise – in MD we get a property tax exemption (~21k/year) if the rectory is used solely for clergy. Susan asked if the tax break is lost forever, or only during the time that the residence is rented out to non-clergy, as the former scenario might still allow us to earn a significant rental profit. Todd will ask if we lose the tax exemption forever or just while occupied by non-clergy; if the latter, it may still be financially advantageous to rent it. We would also need to get a rental license, lead test and cleaning (~\$750).

Reports of Clergy in Attendance

Fr. BJ & Fr. Matthew

Fr. BJ thanked the Vestry for putting their trust in him as priest-in-charge, and assured the Vestry that the staff are in good spirits and we are in a good place going forward. All we need is Jesus and we have Him, as

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Fr. Ed preached in his last sermon. The prayer team is praying over every single family in the church. The visiting ministry team met for the first time in person and continues their good work.

Fr. Matthew thanked the Vestry for its trust and the way it has honored him and BJ. He shared a link to the online events sheet: <https://allsaintschurch.net/wp-content/uploads/2021/08/Parish-Events-Fall-2021.pdf> He recognized Kathleen and Phoebe for their leadership of the adult formation classes. The first day of Sunday School and Club/Crew were successful. He estimated there were 50 children and students at church on Sunday.

Old Business/ New Business

All

No old or new business raised.

Adjournment and Prayer

There being no further business to discuss, Bob moved to adjourn the meeting at 9:39 PM, seconded by Michael. Fr. BJ led the Vestry in a closing prayer.

Action Items

All

Following is the current list of action items.

No.	Action Items	Lead	Date Assigned	Target Date
1	Update FAQ document to answer questions about the relationship with the Diocese, rector search, and Kingdom Relationships resolution	P. Miles (also T. D'Emidio, L. Shore, S. Awad, M. Pelesh, B. Roop)	9/21/2021	10/8/2021
2	Make 2022 Annual Giving commitments	All	9/21/2021	10/10/2021
3	Investigate property tax rules related to renting the Rectory	T. Miller	9/21/2021	10/19/2021