



3 Chevy Chase Circle
Chevy Chase, MD 20815

Vestry Meeting Minutes December 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	✝	Teri Ballou <i>Communications Manager</i>
	David Stanley <i>Co - Assistant Treasurer</i>		Kathleen Dillon – '24		Todd Miller <i>Business Manager</i>
✝	Chris Robinson – '23	✝	Robert Roop – '22 <i>Assistant Clerk</i>		Tina Zemba-Marie <i>ASP Liaison</i>
✝	Lori Shore – '23 <i>Assistant Junior Warden</i>		Rev. Mac Stewart <i>Priest Associate</i>		

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

EXECUTIVE SUMMARY / ACTIONS AT A GLANCE	
<ul style="list-style-type: none"> ✎ A quorum was present ✎ Review and approval of minutes ✎ Treasurer's report ✎ Wardens' reports 	<ul style="list-style-type: none"> ✎ Rector's report ✎ Reports from Clergy in attendance ✎ Old and new business ✎ 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 7:05 PM. Tony led the Vestry in an opening prayer.

Presentation of Minutes

Susan Awad

The minutes from the November 16, 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 Eric and seconded by Michael, the members of the Vestry voted unanimously, with one abstention:

RESOLVED: That the minutes of the Vestry meeting held on November 16, 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

Tony thanked Todd, Lois, LaJeune, Nacole, and others on the staff who have faithfully stewarded our finances along with Michael, Mark, and the finance committee. Michael echoed gratitude for the staff and Mark who have worked so diligently on the finances after Smythe's departure.

1. **October/November Financial Results:** November 2021 YTD loss looks to be \$505k. Current bank balances should cover December expenditures. With projected December net income, we anticipate a net loss for 2021 close to \$300k (in accordance with Vestry-approved deficit spending budget).
2. **Kingdom Campaign Projections:** Projected starting balance in Jan 2022 is \$1.3M, assuming about a 40% pledge to payment ratio. Kingdom building expenses in 2022 will be about \$300k as in years past. A portion of the remainder could possibly be used to fund a deficit budget for 2022.
3. **2022 Budget:** Estimates project a \$400k net operating income shortfall. The Vestry will need to choose whether to continue to deficit spend in 2022 with the anticipation of greater future giving, with the understanding that the gap must be closed and that will require transferring funds from the Kingdom fund, or to make adjustments to better balance income and expenses.
 - a. Projected 2022 revenue is \$1.85M, and projected expenses are \$2.55M, leading to a projected net loss of \$0.7M (including \$0.4M operating loss and \$0.3M in items funded by the Kingdom fund in recent years)
 - i. Does the projected 2022 revenue include a possible draw from the endowment? No, the endowment cannot fund operating expenses. Its uses are limited to specific items such as capital improvements.
 - ii. How does the 2022 budget account for hiring a new Rector? Budgeted a May/June start date.
 - b. Members of the Vestry, clergy, and staff will meet in January to do a more thorough review of projected expenses. The Vestry is asked to give guidance on guardrails for the level of deficit-spending and Kingdom fund use that it would be comfortable with for 2022.
 - i. Options to reduce the projected deficit include increase Kingdom Campaign pledge/payment ratio, increase annual giving, and/or look for savings in vendor relationships and other non-payroll and non-program expenses.

DRAFT VESTRY MINUTES DECEMBER 21, 2021

- ii. Further deficit reduction actions could include staff reconfigurations, program efficiencies, or amending the endowment provisions (which would likely require a 2/3 Vestry vote for 2 consecutive meetings).
- iii. We anticipate a calling of a new Rector in 2022 will have a positive impact on giving. We continue to work on optimizing the financial support function to enable better real-time reporting of cash flows. We will continue to engage the parish transparently to best support known needs.
- iv. The Vestry discussed their comfort levels with various amounts of deficit spending and agreed that the group that meets in January will return with a menu of options and implications for the Vestry to consider for the 2022 budget.

Rector Search

Tony D’Emidio, Michael Petrucelli Chris Robinson

We are close to the point where we can begin receiving applicants for the Rector position. We have completed steps 3 and 4 of the Diocesan checklist and are nearly complete with step 6. The Diocesan financial review was helpful in providing some benchmarks for both Rector salary and operating costs for a parish of our size.

Step 5 is the website review, which can be conducted internally to ensure it aligns with the feedback received from the listening sessions and parish vitality assessment that Chris compiled. Teri will review the website and report back.

The parish profile has been circulated for review by the Vestry. The clergy, many members of the staff, and several of the former Senior Wardens have also reviewed and provided feedback. Tony will make some final changes based on comments provided. In early January, we will be able to begin sharing the profile through official Diocesan and Episcopal channels and through our direct contacts who are friends of All Saints across the country.

In early January, we will revisit interview questions, which Bob has volunteered to draft. We will also need to determine our process for reviewing resumes, interviewing and visiting/hosting candidates. We anticipate posting the position the first or second week of January.

Fr. Matthew suggested created a half-page ad that can be shared quickly and easily, and published in Living Church magazine if we choose.

Tony will compile a list of tasks for this next phase of the search process so that Vestry members can volunteer for different activities to move the process forward.

Senior Warden’s Report

Tony D’Emidio

Tony thanked Frs. BJ and Matthew for this Advent season, for how almost-normal it has been. Fr. Mac has been offering excellent teaching at the adult education hour.

Through the generosity of a few parishioners, we were able to give the staff bonuses. We are so grateful for that and for the hard work of the staff this year.

Junior Warden’s Report

Eric Fedowitz

1. **Great Hall Renovation Project** – Capital improvements have been on hold for a few years. The Vestry recently approved spending \$150k from the endowment for capital improvements. One of the top priority items is HVAC control. Another was Great Hall improvements. Eric met with Gary and

DRAFT VESTRY MINUTES DECEMBER 21, 2021

Fr. Matthew to identify what they wanted to do with the Great Hall, and agreed on a better floor, lighting improvements, a stage reconfiguration, and sound-proofing and more aesthetically pleasing walls and ceiling, as the current cinder blocks reverberate sound. They would like put ceiling acoustic tiles on the ceiling and sheet rock on the walls. Current lighting is industrial-like; it would be nice to have stage lighting and warmer, more inviting lighting. The current built-in stage is too high – can we convert this to a modular stage with storage and sound-proofing? In January, they will prioritize a list of projects and scope how much it would cost, and from there timing for improvements could be determined.

2. **Rectory Alarm Fire & Security System Approval** – The current ADT fire and security system was disconnected because Fr. Ed disconnected the land line phone a few years ago. That means if there were a fire or burglary, the alarm would sound but there would be no alert to ADT. It would cost about \$700 to put a basic security and fire alarm system in the rectory, which could be put in place by mid-January. There are rectory improvements (painting and deferred maintenance) that need to be made to get the house ready for a new rector. We will discuss in January how those improvements will be paid for.
3. **Improvements & Budget Source Signage Improvements** – Eric has met with Teri and Fr. Matthew about possible new signage. Teri is gathering options for improvements and we will discuss in the next month or two.

Reports of Clergy in Attendance

Fr. BJ & Fr. Matthew

Fr. BJ shared that there is a beautiful, good energy from people on Sundays. People are starting to feel like Sundays are more and more normal. Total attendance is about 50% of pre-pandemic levels, but activity is increasing with the 7:45 service resuming with 40 people in attendance the first Sunday. The return of congregational singing has also lifted spirits.

Fr. Mac is focused on adult education offerings and has met with Phoebe on that. The Lazos will be doing a four-week series on C.S. Lewis in February. The clergy will be doing a series on the meaning of Epiphany. There will also be a Family Forum round-table. We don't have programming set for Jan. 30, so the Vestry may want to use that time to update the parish on the Rector search. Phoebe will do a talk on the meaning of salt in the Bible, which will be followed by a Lenten series on how to be salt in the world.

Epiphany will include a Family Table-style service, dinner and the burning of the Christmas tree.

Ministry reports will resume for future Vestry meetings, to include time for Q&A.

Fr. Matthew agreed with Fr. BJ's report and had nothing to add. Tony asked about the Advent Festival, and Fr. Matthew shared that it is one of the best examples of inter-generational ministry that we do.

Old Business/ New Business

All

Chris asked about any new Montgomery County COVID restrictions. Fr. Matthew reported no changes; the indoor mask mandate remains in force but no new restrictions on gathering have been communicated. Fr. BJ has encouraged the ushers to remind people about appropriate mask-wearing.

Executive Session

Tony D'Emidio

The items planned for the executive session were already discussed, so there was no need for the Vestry to adjourn to executive session.

DRAFT VESTRY MINUTES DECEMBER 21, 2021

Adjournment and Prayer

There being no further business to discuss, Bob moved to adjourn the meeting at 8:54 PM. 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	Create task list for next phase of Rector search	Tony	12/21/2021	1/18/2021
2	Finalize Parish Profile	Tony	11/16/2021	12/31/2021
3	Draft interview questions for Rector search	Bob	11/16/2021	12/21/2021