



3 Chevy Chase Circle
Chevy Chase, MD 20815

Vestry Meeting Minutes
April 7, 2022

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>	✝	Robert Roop – '22 <i>Assistant Clerk</i>	✝	Todd Miller <i>Business Manager</i>
✝	Chris Robinson – '23		Rev. Mac Stewart <i>Priest Associate</i>		
✝	Lori Shore – '23 <i>Assistant Junior Warden</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. Fr. BJ led the Vestry in an opening prayer.

Preschool Closure

Tony D’Emidio

Fr. Matthew gave an overview of the circumstances. The Preschool is licensed by the Maryland State Department of Education Office of Child Care (OCC), with which the Preschool Director has worked for the past 10 years on annual inspections and approvals to any changes (such as capacity changes) to the Preschool. The Director recently worked with OCC to get two additional rooms approved. Last Wednesday (March 30), OCC officials came for a surprise annual visit, during which they identified 38 issues that needed attention. The licensing specialist informed the Director that the school had 6 days to fix the issues. After the report was reviewed by the officials’ supervisors, the decision was made to suspend the Preschool’s license immediately.

On Tuesday, April 5, state representatives arrived at the school to issue the suspension notice and make sure children were sent home. The state officials gave parents a letter explaining the situation and Fr. Matthew sent an additional communication out to parents the same day explaining what the closure is NOT (i.e., an issue of gross neglect or abuse) and what it is (i.e., a serious issue that needs immediate attention but not one that put children in immediate danger).

An appeal was filed immediately, per the recommendation of the licensing officials. A hearing was granted for Tuesday, April 12, at 9:30am. Edward has been in touch with the OCC lawyer to understand what will happen during that hearing.

1. We need to fix and document as many of the violations as possible as quickly as possible (such as covering outlets and putting thermometers in refrigerators). We need to ensure teacher files, student health records, and other paperwork is up to date and correct.
2. We also need to put in place compliance measures to ensure similar problems don’t arise again after they are fixed. We have been in touch with two compliance officers who can review our case and provide consultation and guidance. Hiring an outside perspective also shows good faith during the hearing.
3. Finally, we finally to improve internal oversight within the church, including additional Vestry oversight. A parishioner who is a retired nursery school head has volunteered to mentor and guide the Preschool Director in implementing new procedures to ensure compliance going forward. We may also need to redistribute responsibilities among Preschool staff to best leverage their strengths.

Questions from the Vestry:

1. Was the process by which the suspension was issued (from a legal and regulatory perspective) normal? It does not appear that the Preschool received notice and opportunity to respond to a warning.
 - a. A: Hard to know. Fr. BJ spoke with a head of school today, who shared that it’s not uncommon for the state to change regulations without informing schools, but schools must still comply. It’s also not uncommon for schools to receive a few violations after an inspection, but the report on ASP was “heavy.” Lois shared that the regional manager from OCC explained on Tuesday that the reason ASP’s case was escalated was because of the sheer number of infractions – it raised red flags about systemic problems and lack of oversight and controls in place.

2. How is the hearing going to be held? What will be permitted? What works/what doesn't in this kind of setting?
 - a. A: Fr. BJ and Edward spoke with outside attorneys about this today. Edward explained that our strategy will be to get our license back as soon as possible. We may or may not get a decision on the day of the hearing. The judge has up to 7 days to make a ruling on the appeal, which would be the same day that students were slated to come back from spring break (the school was already scheduled to be closed for Holy Week through Easter Monday). We are using the time that the school is closed to review the infractions (i.e., there doesn't appear to be anything in the report that is not true) and fix them so that we can get our license back and the Preschool can reopen. Our approach will not be to contest the report, but to come in contritely and acknowledge the issues, and share our plan to fix them.
3. Does the Director need additional training? It seems that she should know the credentials of all of her staff.
 - a. A: Yes, she should. Although, it is not likely that these skills could be taught to someone who is naturally not inclined to them, and we may be wiser to reduce the Director's responsibilities and give the more administrative work to someone who has the necessary skill set.
4. If we get an unfavorable ruling and the school needs to stay closed, do we need to temporarily file a restraining order? Further, it appears that the Director has not always been honest with the examiners or church staff. If something bad happens in the future, and the current Director is still in a position of responsibility, we may be in a position of negligent retention and could be liable. We may want to give the Director the opportunity to resign with severance and a mutual non-disparagement agreement.
 - a. A: We're in a bad position right now. Aside from the shut-down, this is the time when families are committing to tuition for the following school year. If the Director were terminated or resigns, we could expect decreases in enrollment. Still, the Director should not be involved with any compliance issues, and her role should be limited to education. It appears she excels at some of the difficult aspects of her job (dealing with parents) but has not performed well on routine issues.
 - b. Fr. BJ spoke to Fr. Ed, and he advised not terminating her until May (if at all), as we need her through this process at least.
5. How is it that such mundane and routine requirements were overlooked? Was the Director saying she was doing it, but not? What is the root cause?
 - a. A: The basic problem is that no one on staff knows the requirements, and were relying on Lisa. However, she views "education" as her primary responsibility and is not meticulous in terms of keeping detailed records, despite that being part of her job description.
6. Are we hiring a compliance consultant? If so, what are the budgetary implications.
 - a. A: Yes, it is a necessary part of rectifying the issues at hand and we likely would not get our license back without one. We need to get an estimate for costs and determine budget implications.
7. What sort of reaction are we getting from the parents? What else can we do to repair damage to relationships with parents?
 - a. A: The initial response has been favorable and supportive, and we are riding a wave of good faith right now. Parents have offered to call and write letters to show support for the school (one parent has already called the state to complain). That may wane the longer the school is closed. Outside counsel has advised us to get a handful of letters from parents showing support.
8. In one of the documents, there was mention of the Preschool's insurance policy. Have we filed a claim to help cover the attorneys' fees or other costs? Secondly, do the contracts stipulate a tuition refund if the school is closed for a certain period of time?

- a. A: If we want to retain families and maintain good will, we will likely need to give a pro rata refund. We will look into the question about insurance.
9. Do we have confidence that Lisa can turn this around with counseling and maybe discipline?
 - a. A: The best predictor of future behavior is past behavior. We need to be able to trust that she will do what she says she is going to do.
 - b. Fr. Matthew would be opposed to terminating Lisa. He would support radically reconfiguring her role, responsibilities and salary. It would not be fair to the school to try to reopen the school as soon as possible without a Director. Moreover, Lisa has many strengths that are critical to the job: mediating between parents and teachers, growing and diversifying the school, creating a happy and vibrant culture. She needs a deputy with a strong administrative skill set who can handle the paperwork and compliance.
10. What is the relationship that Lisa has with the regulators? Are they mad at her?
 - a. A: Yes.
 - b. If you are the head of any regulated entity, part of your job is maintaining a good relationship with your regulators. If we go into the hearing and have made a lot of progress, but we still have someone in place who has annoyed or disrespected the regulators, we won't get very far. All the more reason for bringing on a compliance specialist.
11. What will we share on Tuesday about Lisa's future as Director?
 - a. Edward will share that we are reviewing her contract and plan to hire a compliance specialist. He will also share that we are instituting a regular monthly compliance report from the Preschool to the Vestry.
 - b. We have collectively lost our confidence with Lisa. All options are on the table. If OCC comes back and tells us they will accept nothing less than her termination, then we will obviously comply with that. Edward will speak to the lawyers on Friday and will report back; his main goal is to get them on board to work with us to solve things. He won't offer termination at first, but if it comes up, he will share it as an option.

Other Business

United Bank has requested a Borrowers Resolution authorizing Tony, Michael, and BJ to sign on behalf of the Parish for the line of credit loan documents. After a motion duly made by Tony and seconded by Michael, the members of the Vestry voted unanimously:

RESOLVED: That the Vestry of All Saints Church, Chevy Chase Parish, wishing to obtain borrowings or financings from United Bank authorizes Tony D'Emidio, Senior Warden, Michael Petrucelli, Treasurer, or The Rev. William J. Buracker II, Interim Rector, to sign any and all necessary documents relating to such borrowings or financings and to take any such other actions as may be appropriate to obtain this financing.

The Vestry must also appoint a nominating committee to nominate new Vestry candidates. After a motion duly made by Tony and seconded by Susan, the members of the Vestry voted unanimously:

RESOLVED: That the Vestry appoint Cary Buckingham, Tony D'Emidio, Phoebe Miles, Edward Neufville, and Mark Pape as the nominating committee.

Adjournment

There being no further regular business to discuss, Tony moved to adjourn the meeting at 8:34 PM.