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St Margaret’s Episcopal Church Vestry

Subject: Minutes for 15 November2022

Attending: Peter Mayer+ (Rector), Patti Sachs (Associate Rector) Z, Kristen Berthelotte (Senior Warden), Paul Shurke (Junior Warden), Katherine Wiernicki (Treasurer), David Allen, Austin Canuel, Matt Chasse Z, Marti Engstrom Z, Alden Gross, Janice John Z, Elizabeth Kopack , Kathy Lang, Chris Prender, Susan Roberts, Dan Tootle. Ernie Tucker, and Jim Barnett (Clerk).

Not Attending: Elizabeth Radley (Director of Operations)

This meeting was conducted in Hybrid format (Zoom participants annotated with a Z after their names).

A Quorum was present.

1. Opening prayer was given at 7:03 pm by Janice John.

2. The meeting was called to order by the Rector. The October 2022 Vestry minutes were approved.

**3. Submitted reports:**

A. **The Rector’s Report (posted):**

We need to reflect back on the past 12 months to remember where we are today.

We do not have to decide on a 2023 budget this evening. But we do need to look at how we see this going for the next year.

A proposal has been received to add permanence to the pathways designed into our graveyard back in 1938. An individual from our community who had her daughter buried in our graveyard has made a generous offer to fund $43,410 toward making a gravel path placed in accordance with a graphic posted by the Rector. Carla McGill will fund the project and a local contractor (McHale Landscape Design) has come forward to do the work. The initial bid included leveling the paths down a bit and then laying in about 2 inches of gravel. An older quote to deepen the gravel to 4 inches would cost an additional $40,000 to provide a firmer path that will be easier to manage for wheelchairs, walkers, and individuals in high heels.

There was significant discussion regarding the funding, the sourcing of the second enhancement to the original bid. It was suggested that the additional funding could be sourced from the Endowment set aside for the Cemetery that currently stands at around $70,000.

The was also a suggestion that the recently received $20,000 to enhance the campus could be used as an offset to the second layer. The remainder could be drawn from the Endowment set aside.

The draw could be deferred until the markets are more positive and thus reduce the impact additional funding might have on the Endowment.

Pavers had been investigated but were judged to be cost prohibitive.

Ms. McGill’s offer is on the table and it was suggested that the Vestry needed to approve at least the initial work so that the Rector could get back to her with a positive answer.

Discussion continued with comparative statements regarding the path behind the office which is also gravel and the Columbarium surface. Other surface options were discussed but the offer from Ms. McGill is for gravel pathways.

If a motion can be passed, the treasurer can work out the wording for the various funding sources.

**MOTION: That the McGill offer be accepted to enhance the pathways in the SMC churchyard at $43,000. Seconded and approved unanimously.**

Additional options to enhance the path construction can be determined at a later date.

{Clerk’s Comment: During the voting, it was noted that the Young Adult Voting Member of Vestry may vote for this motion in accordance with Article 4 Section 11. A vestry member disagreed with this interpretation of the amended bylaws. The applicable section of the bylaws is here in included for reference:

“(e) A Young Adult Voting member appointed under this section shall have all rights and duties of a Vestry member as set out in these bylaws, except as follows:

1. any Young Adult Voting member appointed under this section shall not have a vote regarding the call, retirement, or discharge of a Rector;
2. any Young Adult Voting member appointed under this section shall not have a vote regarding the approval of the annual budget for any year during which he or she serves, nor regarding any audit undertaken during the year of that Young Adult Voting member’s service; and
3. any Young Adult Voting Member appointed under this section shall not have a vote regarding the appointment of a Young Adult Voting Member under this section.”}

Two resolutions passed at the recent Diocesan convention were discussed.

$100,000 was taken from endowment draws and put towards reparations in the annual budget.

The same amount would be taken from endowment draws and put towards the Sutton Scholars program each year.

There was a great deal of discussion on both of these issues at the convention but they both passed “firmly.”

It was noted that the first trounce was distributed in response to grant applications in and around Baltimore. It was further noted that 25% of SMC grants last year went to similar reconciliations within the community. One can go to the diocesan website to see a list of approved Baltimore grants.

**B. Security Task Force report (posted).**

The SMC Campus Security Assessment conducted by a Protective Security Advisor (PSA) of the Department of Homeland Security (DHS), Cybersecurity & Infrastructure Security Agency (CISA) was completed in accordance with the requirements to submit a grant request from the Maryland Department of Emergency Management (MDEM), Non-Profit Security Grant (NSPG) program.

The Chair of the Task Force had an extensive telephone conversation with the Executive Director for the Timonium Presbyterian Church (TPC) regarding the TPC’s ongoing participation within the MDEM NSPG program.

While the report is an interim report, there is a great deal of useful information contained therein.

The process is complicated and requires a great deal of management both in submission and attendant reporting. It will require someone who will give full time effort to this endeavor.

As the process works, SMC will have to fund any initiative(s) they intend to submit for a grant, up front. The grant process is designed to reimburse “all costs” associated with each instantiation. Multiple requests can be made.

There was a question of timing. As stated, SMC has about 2 months to get their grant requests in to MDEM for approval in April with funding available in September of 2023 if approved. There was some discussion regarding Congressional actions on the 2023 budget (Authorization and Appropriations) and the viability of the funding source for this program in the future year. This is federal funding authorized and appropriated to DHS/FEMA and distributed to the states. The budgeting process leading to an actual Act is not well understood by this Vestry.

The interim report is not an in-depth security assessment, and it may be appropriate to conduct a more detailed assessment in the future.

It was noted that the report is annotated as “For Official Use Only” and is password protected. While it has been reviewed by the SMC Safety Committee, it is not yet available to the members of the Vestry.

{Clerk’s Comment: For Official Use Only (FOUO) is not a classified marking. According to DoD Instructions 5400.7 For Official Use Only (FOUO) is a document designation, not a classification. This designation is used by the Department of Defense and a number of other federal agencies to identify information or material which, although unclassified, may not be appropriate for public release. In all cases the designation refers to unclassified, sensitive information that is or may be exempt from public release under the Freedom of Information Act.}

Members of the Vestry expressed their inability to make informed decisions without the benefit of access to the report. The bylaws are explicit in the authorities and responsibilities of the Vestry with respect to fiscal matters.

The Security Committee has not nailed down any costs associated with this event.

**C. Truth, Reconciliation and Reparations Task Force report (posted).**

The question has come up, “where are we going with this?”

SMC’s relationships with our Black neighbors are in the infancy stage. The TF is working to set up a presence within our community. They are working to help set up a non-profit LLC to facilitate the agenda of the Father’s Day Foundation. For the most part, the Father’s Day Foundation members are knowledgeable about fiscal matters, grants, and LLC formation but the individual who is leading this effort is less well informed.

The budget request for the TRRTF includes a line for transportation to local museums and community centers for knowledge and exposure. It is intended that the TF will request contributions to defray costs from attendees and, if all of the available slots are not taken up with SMC parishioners, other churches will be invited to participate.

There is a line for stipends for speakers at the Coffee Chats. While the schedule is not well defined, it is anticipated that there will be approximately 7 speakers over the next year at about $100 each.

The Banneker-Douglas Museum contribution line ($300) is intended to be a contribution to that museum from SMC.

The Task Force continues to look for new members. They meet the first Tuesday of each month at 1930 on Zoom, at least for now.

This budget request will remain an open item for further discussion.

**D. Junior Warden’s Report (posted).**

Thanks to those who showed up to help move the new organ console into the church.

He continues to work on other contractual cost estimates so if anyone has anyone interested in participating with SMC on contracts for work, let the Junior Warden know.

The Junior Warden will retire in October 2023 from the Coast Guard but remain in the Annapolis area.

**E. Senior Warden’s Report (posted).**

We continue to work on Stewardship. We are ahead of last year and remain optimistic.

The Senior Warden will distribute Vestry call assignments after the meeting. It is a small list this year and can be accomplished by either phone contact or email. If individual Vestry members are uncomfortable with making these contacts, just let the Senior Warden know and allowance will be made. The current call assignments are mostly previous pledgers but there are a few new members.

The Rector has made contact with several new parishioners and will be more than happy to share his insights on their individual situations and families.

This is more an opportunity to connect with parishioners as much as seeking a commitment. The “gift” is secondary, we need to let them know that we are here for them.

The Stewardship Committee continues to meet weekly. There have been notes in Dragon Tales, Weekly Bulletins, in service testimonials among other notification mechanisms. Peter has addressed thank you notes to all pledgers. Vestry call lists will be distributed at the end of the meeting, please do not leave without your list.

We currently have 156 pledges for about $812,000. We are close to goal in both categories. There are about 19 parishioners who increased their pledge this year.

The music program is kicking into high gear with the arrival of the new organ. The Senior Warden brought programs from the organ concert last week for handing out.

There was a question regarding funds raised in the campaign to pay for the organ.  There is $45, 000 collected in the organ designated fund and an additional $19,000 in unrealized pledges that may yet come in.  There was a brief discussion about when and how to pay back the initial draw of $69,00 and whether any of the money could be used elsewhere in the music program.

**F. Budget Discussion (draft budget posted to vestry).**

Our pledge target is $950,000 but that will still leave us in debt. Some cuts have been made to individual lines. Payroll remains a major part of the budget. With Social Security tax at 8.7% and an evident Cost of Living increase necessary, these things need serious consideration.

(This discussion is in the jested minutes and not included here as it involves compensation)

Line 5099 (B&G for cleaning) was noted to increase. This is due to the increasing responsibility and scope placed on that contract team.

We have been informed that we can anticipate a rate increase for heating and electricity in the coming year.

Should Safety and Security costs be considered in the Capital budget or Operating budget? They should be carried in the operating budget. The roving guard would be the same. Using “interns” for roving guards was mentioned but the time to train them might cost more than the actual need.

Line 6080, (Insurance) is projected lower. Is this a result to adjusting our coverage below last year? No, we have a better handle on the real cost for next year.

Line 5950 (Special Events & Trips) increased significantly. It has been proposed that Food Trucks at Special Events be included in this line. In the past, funding for this was taken from the Rector’s discretionary fund and it should be carried here. It was very popular with both our parishioners and our community but is very expensive when the church covers all the food. Can we afford this expense? If we don’t do the Food Truck, it “takes some of the SMC sheen off these events and who we are.

A series of cuts were then suggested:

Music reduction $3,000

No Nursery care at Monday night Faith and Fellowship $3,000

No food treats at Sunday morning coffee hour $3,000

No Vacation Bible School off set $3,000

No Education/Convention opportunities $3,000

No Special Digital Editor $7,500

No Special music for Christmas $8,000

A new line to start a Stewardship account of $1,500 was proposed. This will allow the Stewardship Committee to improve its products with better card for correspondence with parishioners stock. This is a “carve out for Stewardship” and may be used for such things as a Thank You event. We will need some sort of line eventually and this is a place holder.

Line 5601 (Diocesan Contribution) decreases $3,984. This line is based on operating costs. We received $29,000 from the PPP process (“forgiven”) which was placed in the Endowment.

Line 6321 (Grants Admin Salary/Expenses) is now paid from the Endowment.

TRR bus trips can be looked at as not supported.

50% of this budget is compensation and benefits.

Taking $600 here and there doesn’t really change the deficit much.

We need to fund the church to be sustainable and not look to the Endowment as the place to fund deficits going forward. We need to keep the deficit as close to zero as possible. That having been said, this may not be the year that happens. We are just not sure how to reduce more.

We have advised the SMDS that we will be renegotiating shared expenses in April.

We need to think seriously before we cut more staff. We have moved functions around and asked existing staff to do more.

It is probably too early to go to a ‘shoestring budget’.

This will be the final call for Stewardship. We have seen several parishioners increase their pledges over last year. We are hoping that additional pledgers will give more as we approach the end.

Can we identify where impactful reductions might get the attention of some pledgers who might increase their pledge to stave off reductions?

We have experienced, as has the entire country, a different approach to “volunteerism.”

The Vestry needs to focus on how we pay for the Church we want to be.

4. The meeting was adjourned at 9:05 PM with the singing of the doxology.