

**THE NEXT MEETING OF THE VESTRY
OF THE CHAPEL OF THE CROSS
WILL BE ON THURSDAY, FEBRUARY 18, 2021
with the business session to begin at 6:00 p.m.**

**Draft Minutes of the Vestry of the Chapel of the Cross
21 January 2021**

The Vestry of the Chapel of the Cross again met via Zoom Cloud Meeting on Thursday, January 21, 2021. Present were Dick Taylor (Sr. Warden), Emily Moseley (Jr. Warden), Leigh Ann Dasher, Molly Dempsey, Allison Worthy, Carol Marshall, Alan Rimer, Lee Wollman, Ann Craver, Amy Daubert, Terry Eason, and Meg Flournoy. Also present were Elizabeth Marie Melchionna (Rector), Noah Van Niel (Associate Rector), Mary Cat Young (Associate Rector for University Ministry), Amanda Bourne (Curate), Faith Turchi (Parish Administrator and Stewardship Coordinator), Carrie Fraipont (Treasurer), Sabrina Olsen (Chair of Finance Committee), and Nancy Kelly (Clerk). Joe Causby (Director of Music and Organist) joined the meeting for the discussion of the Organ Advisory Committee recommendation.

The Rector presided and the meeting was called to order at 6:00 p.m with a prayer.

Devotion/Prayer

Mr. Van Niel led the devotion for the evening, reading a portion of Psalm 62.

Sr. Warden

Mr. Taylor said that it has been a privilege to serve on the Vestry with Ms. Dasher, Ms. Dempsey, and Mrs. Worthy. He added that it was his honor to serve as Sr. Warden for three

years after serving on the search committee to call Ms. Melchionna as Rector. The Vestry received his comments with applause.

Consent Agenda

The following items were placed on the Consent Agenda (attached):

- Approval of Minutes from the December Meeting of the Vestry
- Acceptance of Rector's Report (attached)
- Acceptance of Associate Rector's Report (attached)
- Acceptance of Associate Rector for University Ministry's Report (attached)
- Acceptance of Curate's Report (attached)
- Acceptance of Finance Committee Report (attached)
- Acceptance of Stewardship Committee Report (attached)
- Acceptance of Buildings and Grounds Committee Report (attached)
- Acceptance of Faith in Action Report (attached)
- Proposed Creation Care Committee Charter (attached)
- Global Mission Committee Charter (attached)
- Outreach Ministry Charter (attached)
- Acceptance of Lilly Report (attached)
- Acceptance of Preschool Report (attached)
- Acceptance of Family Time Report (attached)
- Acceptance of Parish Life and Worship Report (attached)
- Acceptance of Christian Formation Report (attached)
- Acceptance of Parish Administrator's Report (attached)
- Acceptance of Communications Report (attached)

It was moved by Mrs. Marshall, seconded by Mrs. Wollman, and passed unanimously, that the Vestry approve the Consent Agenda.

Rector's Report

The Rector's report is attached.

Ms. Melchionna began by expressing gratitude to the Vestry class of 2021 for their service to the parish.

The annual Vestry retreat will be held on Sunday afternoon, February 21, with Joyce Corbin Cunningham serving as facilitator. The Vestry will continue to deal with the issue of racial equity.

The Service Learning Site continues to serve about sixty students, and the next round of fund-raising has begun. Collaboration continues with Chapel Hill-Carrboro City Schools and the YMCA.

The IFC food pantry has launched with a virtual opening.

The Chapel of the Cross is partnering with Club Nova, who will use the parish kitchen to prepare meals until their space is ready.

The Rector highlighted several important dates coming up:

February 7 at 10:30 a.m. - Annual Budget Meeting (virtual)

February 14 at 10:30a.m. - Annual Meeting (virtual)

February 14 - Meeting of Consortium of Endowed Episcopal Parishes (virtual)

The Rector then asked for approval of the 2021 Clergy Housing Allowances. The IRS allows ordained clergy to claim a certain percentage of salary as a housing allowance, which is not taxed. The clergy must be able to document by year-end that these are actual expenses. The housing allowance includes utilities, but it can't exceed the fair rental value of the property. The matter is between the clergy member and the IRS, and the parish assumes no liability, although the parish must be informed of the amounts of the elections.

It was moved by Ms. Dempsey, seconded by Mrs. Wollman, and passed unanimously that the Vestry accept the 2021 housing allowances for Ms. Melchionna and Mr. Van Niel as unchanged from 2020.

It was moved by Mrs. Marshall, seconded by Mr. Rimer, and passed unanimously, that the Vestry accept the 2021 housing allowance of Ms. Young in the amount of \$25,000.

Vestry Election Process

Mr. Taylor explained to the Vestry the process by which the next Vestry class will be elected. Canon 33, section 4 of the Diocesan Canons provides that Annual Parish meetings and Diocesan Conventions may not conduct business such as elections by teleconference, videoconference, or any other technology. The bylaws of the Standing Committee, Diocesan Council, and the Vestry of the Chapel of the Cross, however, provide that vacancies in those bodies are to be filled by the bodies themselves. This is what will take place for election of the COTC Vestry class of 2024. Nominations were solicited from parishioners, and a slate of seven individuals resulted: Paul Ashdown, Jessica Aylor, Brian Coggins, Mike Hickman, Harriet Pegram, Roman Perun, and Joan Pharr. On Thursday, February 4 at 9:00 a.m., a program called Election Runner will be launched, and each Vestry member will receive an email invitation to vote for no more than four of the seven candidates. It's likely that there will be multiple run-off ballots before a final determination of four Vestry members is reached.

Finance Committee

The December financial reports are attached.

Ms. Fraipont reported that the year ended with the best case scenario. Revenues showed a 98.3% return on current year pledges, and unpledged contributions were higher than expected.

On the expenses side, all areas were under budget, mainly because the building was not open for most of the year. The year ended with a surplus of \$108,000, although this figure is not final.

The Finance Committee made two recommendations. The first was that as part of the federal Paycheck Protection Program (PPP), the Chapel of the Cross received a forgivable loan in the amount of \$153,243 in 2020. The loan was formally forgiven in December 2020. The proceeds were used to support the payroll and certain "occupancy" costs of the Chapel of the Cross. The Finance Committee discussed creating a special fund in an amount equal to the PPP loan. This special fund would be funded from the 2020 operating surplus. The committee discussed potentially using these funds as a transfer to support the operating budget. It was moved by Jefferson Parker, seconded by Emily Moseley, and after some discussion passed unanimously, that the Finance Committee recommend that this fund be created and that its future use be at the direction of the Vestry.

The preliminary results indicate a 2020 surplus after creation of the PPP Reserve Fund in excess of \$125,000. Given the important capital needs identified in the Capital Needs Assessment report provided to Buildings and Grounds, this is an area of great need. The committee determined it would be a benefit to transfer \$100,000 of the surplus to the Capital Fund. Approval of spending of projects using the Capital Fund is part of the annual financial plan (budget) process and can also be accessed at other times during the year if needed. Carrie Fraipoint moved, Annie Craver seconded, and after some discussion, the motion passed to recommend to the Vestry the transfer of \$100,000 from the 2020 operating surplus to the Capital Fund for approval.

Ms. Olsen then presented to the Vestry an overview of the 2021 Budget. She began by stating that this is a balanced budget. The goal for the budget was \$1,650,000. To date, there are 507 pledges totaling \$1,562,167. To attain a balanced budget, \$85,000 of the \$153,243 PPP Reserve Fund was used.

Faith in Action will remain flat for 2021, consistent with the 2020 budget.

In the area of debt service, *You Are the Light* pledges are sufficient to retire the debt and meet program expenditures and planned transfers to the Capital Fund, so the recommendation is to fund directly ongoing capital needs and transfer \$10,000 to pay interest on the debt, with \$50,000 going to the Capital Fund.

On the expense side, there was an increase in the Diocesan Share, hospitality and liturgical expenses were reduced, salaries remained flat, salaries for nursery workers and an organ scholar were cut, and choral scholars were reduced from four to three.

The messaging to parishioners needs to be clear. It is a responsible and thoughtful budget; it is tight but realistic.

Ms. Olsen then reviewed the Capital Fund and its sources of funding: Cobb Fund, Cobb Chapel Fund, *You Are the Light*, Annual Fund, Undesignated Bequests, Designated Bequests, Vestry "Special" Designation, and Other. The capital budget and all capital items are paid via the Capital Fund. Currently there is \$166,000 available. With 2020-2021 approvals, there will be a total of \$307,800 available, although it would be imprudent to spend it all.

There are remaining project expenses from 2020 to carry forward to 2021 in the amount of \$27,350 for the Chapel HVAC and the parish hall doors. The recommended capital expenditure for 2021 is \$60,000, which needs Vestry approval. The capital plan 5-year outlook totals \$3,213,388.

The Rector informed the Vestry of a surplus in an annuity from Mary White in the amount of about \$155,000. She suggested that the Vestry consider allocating \$125,000 of this amount to the Capital Fund and \$30,000 to the principal of the Buildings and Grounds endowment.

It was moved by the Finance Committee, and passed unanimously, that the Vestry approve the recommendation of the Finance Committee to transfer \$100,000 from the 2020 operating fund surplus to the Capital Fund, approve the recommendation of the

Finance Committee to create a special Paycheck Protection Program Reserve Fund in the amount of \$153,243 for use in future years, adopt the 2021 Budget as presented, and approve the 2021 Capital Budget in the amount of \$60,000.

It was moved by Mrs. Marshall, seconded by Mr. Rimer, and passed unanimously, that the Vestry allocate \$125,000 of the surplus annuity from Mary White to the Capital Fund and \$30,000 to the principal of the Buildings and Grounds endowment, contingent upon receipt of the funds.

Discussion then ensued about approval of funds for proceeding with the nave project.

It was moved by Ms. Moseley, seconded by Mr. Rimer, and passed unanimously, that the Vestry approve \$290,000 in funds from the Capital Fund for the nave project, contingent upon receipt of the surplus funds from the Mary White annuity.

Organ Advisory Committee

Joe Causby joined the meeting for the discussion of the Organ Advisory Committee Report (attached).

Mr. Causby expressed gratitude to the committee for its work over the past year, saying that it has been a very fruitful process. The result of the work of the committee is that it recommends that Casavant Frères of Canada be the builder of the organ, which will be designed as an instrument appropriate to our space and our needs. Vestry approval is needed for the process to move forward. There is no financial obligation at this point; no contract will be signed, but approval will give permission for the committee to work with Casavant.

It was moved by Ms. Daubert, seconded by Ms. Flournoy, and passed unanimously, that the Vestry accept the recommendation of the Organ Advisory Committee to move forward on the organ project with Casavant Frères.

Mr. Eason emphasized that the committee needs more accurate information from both an architect and an engineer about designing a new organ for our space.

It was moved by Mrs. Craver, seconded by Mrs. Wollman, and passed unanimously, that the Vestry approve up to \$10,000 from funds paid into the *You Are the Light* campaign and designated by donors for the new organ to be used to secure the services of an architect and an engineer to secure accurate information about designing a new organ for our space.

***You Are the Light* Capital Campaign Steering Committee**

The *You Are the Light* Capital Campaign Steering Committee Report is attached.

The campaign has raised the cash and pledges that will allow for the full funding of three of the Capital Campaign's four objectives: retiring the debt and addressing deferred capital spending and program initiatives. The committee asked that the Vestry formally prioritize spending against the objectives of deferred capital spending and program initiatives, such that proceeds from unrestricted pledges will be used to fund these objectives before such proceeds are used to fund the purchase of a new organ. The committee will begin immediately to focus its ongoing fundraising efforts exclusively on the single remaining objective of securing the necessary funds for the evaluation, purchase, and installation of a replacement organ and asks that the Vestry adopt a comprehensive budget for the organ.

It was moved by Ms. Daubert, seconded by Mrs. Marshall, and passed unanimously, that the Vestry affirm the Capital Campaign Steering Committee Report and the trajectory that the committee proposes.

Faith in Action

Mrs. Worthy presented to the Vestry three motions for approval.

It was moved by Ms. Daubert, seconded by Mrs. Wollman, and passed unanimously, that the Vestry approve the Creation Care Committee Charter.

It was moved by Ms. Dempsey, seconded by Ms. Dasher, and passed unanimously, that the Vestry approve the recommended revisions to the Global Missions Committee Charter.

It was moved by Ms. Daubert, seconded by Ms. Dempsey, and passed unanimously, that the Vestry approve the proposed amendment to the Outreach Ministry Charter.

Stewardship Committee

The report of the Stewardship Committee is attached.

Mrs. Wollman reported that the Vestry is being asked to write about 100 more thank-you notes, adding that a phone call is an option.

Family Time

Mrs. Marshall suggested that the Vestry gradually return to the traditional Family Time, in which the Vestry engages in informal discussion of parishioners who have not been seen at church services recently and shares the names of newcomers whom they have recently met. As a first step, Vestry members are asked for next month to remember those from whom they haven't heard recently or perhaps recall newcomers they have met or new babies added to parish families.

Parish Website

Mr. Van Niel announced that the new parish website is live, as of tonight. It was made possible because of a bequest from Professor Gerald Unks.

Jr. Warden

Ms. Moseley asked if there might be interest among Vestry members in having a virtual Vestry-person-of-the-week or perhaps a weekly reflection by a Vestry member in the Friday email. Vestry members seemed receptive to the idea of a virtual Vestry-person-of-the-week, and Ms. Moseley said that she will work on the logistics to make this happen.

Mr. Taylor offered a prayer, and the meeting adjourned at 9:10 p.m.

Respectfully submitted,

Nancy F. Kelly
Clerk of the Vestry

Attachments

- - - Consent Agenda
- - - Rector's Report
- - - Associate Rector's Report
- - - Associate Rector for University Ministry's Report
- - - Curate's Report
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- - - Christian Formation Report
- - - Parish Administrator and Stewardship Coordinator's Report
- - - Communications Report
- - - December Treasurer's Report
- - - December Financials