

May 25, 2021

Vestry Minutes



Members in attendance: Hal Evans, Kathy Field, Chris Goode, Susan Homar, Ken Hubbard, Kathryn McLearn, David Neises, Sally Robinson, Lyndall Stanley, Suzanne Thomas, Trevor Walker, Rev. Kelly Steele.

Members absent: Adrienne Williams

Also in Attendance: Peter Kastner, Treasurer; Debbie Giordan, HR Committee; Jim Toedtman, Stewardship; Susanne O'Day, Clerk.

- The meeting was called to order at 5:34.
- Kelly opened the meeting in prayer.
- Hal led the Vestry Covenant.
- The April minutes were approved via email.

Update on Associate Priest Search

Debbie Giordan, chair of the HR Committee, shared the process of the Associate Priest search. There were seven inquiries including some who were not viable, a couple interviews, and the final person they feel is called to the position. The compensation package and letter of agreement were sent to this person, David Wantland, contingent on the Vestry meeting him. His husband got a job here in Savannah which is why he is moving here and searching for a new job. Kelly says she will not sign the letter of agreement if any red flags arise. Hal shared how impressive David was in the first interview and in the HR+ group.

The HR committee consists of Marilyn Sobke, Jim Morgan, Wyndie Eberle, and Debbie Giordan. The HR+ members are Ginger Malachuk (pastoral care), Debby (children's church/Sunday School) and Jud Cutino (has been involved since the beginning), and Crissy Mondy (younger family with children). The group was unanimously in support of extending and offer to David.

Pete asked if basing compensation on seniority is a common practice. Kelly said it is common.

Ken expressed concern about the tough financial position of the church. He asked about consideration of the conservative members. He encouraged a decision be made from care and concern for Saint Peter's future. Discussion about these concerns resulted in several responses including Dave N. and Jim T.—what is said from the pulpit is important and having a Jesus centered ministry will speak volumes. Hal said he thinks David will help build this church.

Kelly shared the Vestry may look up David's sermons to get a feel for his preaching.

Dave and Sally cannot be at the meet and greet with David, but they were encouraged to call HR committee members with any questions or concerns.

COVID-19 Guidance Review & Vote

Kelly presented the new certification form for "Phase 2" from the diocese which permits 3 feet distance between households and mask optional. There are four agreements/approvals needed:

May 25, 2021

Vestry Minutes



A super-majority (of more than three-quarters of the persons voting) approve of a return to in-person worship according to the Phase 2 guidance and certify the following:

- We have assessed the case counts in our region, and
- We have taken into account the percentage of those fully vaccinated, and
- We have further discussed and decided how we will continue to make accommodation for those who cannot get vaccinated and others who do not yet feel safe in worshipping according to the Phase 2 guidance, and
- We have read and will follow the Phase 2 guidance including the contact tracing guidelines if we become aware of new COVID-19 cases among those who attend in-person worship in our congregation.

Accommodations for those who cannot get vaccinated: Live stream services, 8 am does not have singing and has fewer people. Ushers could direct those who need further distancing.

Also, Saint Peter's zip code has a very high percentage of fully vaccinated.

Kathy made a motion to certify the new guidance. The motion was approved unanimously.

The vestry signed the certification which will be sent to the Diocesan office. This new phase will go into action immediately (this Sunday, May 30).

Invite Welcome Connect

Sally Robinson reported that she and **Kathryn McLearn** are the new IWC chairs. They met with the committee and got a feel for the direction of the group. Kathryn added they plan to do an outdoor social for new members and others who need to connect at North Marina. They would like Vestry to be more involved in IWC as well. This is not just for new members but for everyone reconnecting.

Pete reminded the Vestry how helpful Realm will be for this endeavor. Sally said recreating the directory using this software will be exciting for the parish.

Ken asked about including those congregants who have drifted away and treating them as if they are newcomers. Sally agreed this would be possible.

Sally tasked the Vestry to sign up to be a Greeter every quarter. Nancy Richards is the scheduler for Greeters.

Informational Items

FINANCE REPORT

Peter Kastner, Treasurer, reported on the Financial status. Income was down slightly in April. Otherwise, St. Peter's is doing quite well financially.

The Action items memo (attached) includes a recommendation from the Finance Committee for B&G to replace the roof on the church. This will be discussed below.

The other items were discussed. Kathy asked about corporate cash interest strategies. Pete explained this is a way of earning interest on money sitting idle in an account.

May 25, 2021

Vestry Minutes

Ken said an unexpected HVAC repair this month cost \$10,000.



STEWARDSHIP

Jim Toedtman reported planning for the the stewardship campaign is underway. Quarterly updates on pledges will go out soon. The launch of the campaign will be mid-September with a pamphlet like the past years. The overall message will be “Welcome Back” in a whole new way. Joining with IWC, the emphasis will be on connection and welcoming. The campaign brunch is something to look forward to as well.

BUILDING AND GROUNDS- REVIEW PROPOSALS AND VOTE

Ken Hubbard referenced the roofing reports and bid analysis distributed to the Vestry. He compared the various bids. The committee’s recommendation is approval of a new roof and approval of Roofcrafter’s bid. The chancellor should review the contract. The shingles recommended were viewed as part of the proposal.

Dave moved that the finance and B&G committee’s recommendations be approved not to exceed \$100k. Kathy seconded the motion. The vestry voted to approve the motion unanimously.

The HVAC system needs to be replaced in 3-5 years (2021-2026). Ken referenced the reports and analysis. The units are custom made and take four months. The existing underground ductwork versus new ductwork is also to be considered. Pete suggested making a plan to be ready in 3 years. He listed the various avenues of getting cash in hand to move on the plan sooner rather than later. For fundraising, Ken suggested distributing an architectural visual rendering of what the nave will look like with drop ceilings for a new unit.

The new signs by the street are underway and renderings should be approved by the end of the week. There is also a new lighting system for the sign.

Pete proposed a joint committee be created between B&G, Finance, Design, Planned Giving, and Stewardship to represent the parish in planning for an estimated \$500k replacement of the HVAC outdoor unit and underground ductwork. This group would submit a proposal to the Vestry by the December 2021 vestry meeting. For this planning phase, the Finance Committee (headed by the Treasurer) will lead the effort.

Ken made a motion to move forward with Pete’s above proposal. The motion was approved unanimously by the vestry.

BUILDING USE POLICIES- REVIEW AND VOTE

Kathy Field is the chair of this committee which includes Debbie, Hal, Jim Morgan, Kelly, Susanne, and occasionally Nate. She reviewed the policies (sent to vestry previously) and the two different leases (special events and long-term). The long-term renters will be negotiating with Hal and Kathy using this new lease. All these documents have been reviewed by the parish Chancellor, Patty Morgan.

Pete would be willing as treasurer to make accommodations for repeat rentals (ex. CCA).

May 25, 2021

Vestry Minutes



Kathryn asked if the tables and chairs are included in the rental fee. Kathy answered yes. Kathryn also asked if carpet cleaning is included, but this would be more of a routine maintenance unless extenuating damage was done. Security deposits would be kept for such damages.

The Market is a special event beyond what is listed in these policies.

Kelly has the authority to waive or amend these policies and fees.

Ken moved that the facilities use policy and leases be approved. The vestry voted unanimously to approve these.

Formation Exercise

Kelly distributed a reading from *The In-Between Church* by Alice Mann. She reviewed the sizes of church and the various tradeoffs in each level. Smaller churches are more dependent on clergy and vice versa.

Kelly directed an exercise where the vestry acted as clergy. The members were made to choose between A and B by going to either side of the room. Each group shared why they made their decision. Clergy decisions are between growth/numbers vs. intimacy. Transitional sized churches have competing interests.

The vestry was asked to read the full chapter and be prepared to summarize each of the size dynamic churches.

Closing

Kelly closed the meeting with The Lord's Prayer.

This meeting was adjourned at 7:34 pm.

The next Vestry meeting is June 22nd at 5:30 pm.

Respectfully submitted,

Susanne O'Day

Vestry Action Items – May 20, 2021 Meeting

Finance Committee

Attendees: Doug Eberle, Hal Evans, Debbie Giordan, Pete Kastner, Steve Langston, John Sobke, Dave Sweeterman, Jim Toedtman

There was one motion in support of the B&G project proposal that was approved at the Finance Committee meeting on May 20, 2021.

❖ B&G Sanctuary Roof proposal

The Finance Committee reviewed the executive summary and bid proposals from the exhaustive

May 25, 2021

Vestry Minutes



B&G report on replacing the sanctuary roof. The committee fully supports finalizing a contract with Roof Crafter's Roofing and proceeding with this important work. The Maintenance Reserve Fund will have a balance of over \$150k after this project is completed.

Motion: The Finance Committee recommends Vestry approval of the B&G recommendation for contracting with Roof Crafter's Roofing for replacement of the sanctuary roof for an amount not exceeding \$100,000.

The Finance Committee wishes to inform the Vestry of the following items:

- ❖ **Temporary Restricted Account – Library Fund Investment strategy**
Treasurer Pete Kastner continues to identify the level of Temporary Restricted Accounts that should be available for investment. He has analyzed St. Peter's cash flow patterns and believes that we can manage excess cash, both restricted and unrestricted, using a short-term investment strategy based on historical patterns, similar to corporate cash management strategies. The Vestry action on the two B&G project proposals for the sanctuary roof and HVAC system will have an impact on the timeframe for when the Maintenance Reserve Fund monies will be needed. Pete is targeting the June Finance Committee and Vestry meetings for review and approval. Note: the \$69,604 Maintenance Reserve Fund money market account at Sun Trust will be included in the new TRA investment account and the Sun Trust account will be closed.
- ❖ **CARES Act Paycheck Protection Program (PPP) loan**
The Diocese Council (DC) met at the same time as the Finance Committee meeting to debate proper recording of these "forgiven" loans and their impact on future Diocese Assessment calculations. Rev. Kelly attended the DC meeting to represent St. Peter's position. St. Peter's Finance Committee consensus is that the money should not be considered as regular "income" and therefore be included in the calculation of the Diocese Assessment. General Ledger postings to reduce the loan amount to zero and record the forgiven "loan" proceeds will await the Diocese Council decision, therefore the "loan" still appears on the balance sheet. Rev. Kelly emailed, after the Finance Committee meeting, that the Diocese Council decided to classify the forgiven PPP monies as income and the amount will be included in the calculation of St. Peter's 2023 Diocese Assessment. The view was expressed that a St. Peter's 2023 DA appeal would be looked on favorably provided proper procedures were followed.
- ❖ **Clergy (Rector's) Discretionary Fund policy and procedures**
The Committee discussed an outline for updating St. Peter's policies and procedures for Clergy Discretionary Funds (CDF). Rev. Hunt followed proper procedures and closed his CDF checking account and transferred the balance to St. Peter's business checking account. The balance was posted to the Rectors Discretionary Fund Temporary Restricted Account (TRA). He also turned over the documentation on RDF checking account disbursements. Rev. Kelly does not desire a separate CDF checking account at this time, she will use the Rectors Discretionary Fund Temporary Restricted Account instead, following standard disbursement procedures. St. Peter's has not been rigorous in following the annual review CDF policy, this needs to be an emphasis in the future. The revised policies & procedures will be consistent with the December 2019 revision of the national Episcopal Church's *Manual of Business Methods in Church Affairs*. The committee plans to present the revised CDF policies & procedures for Vestry approval at their June meeting.

May 25, 2021



Vestry Minutes

- ❖ Inactive Temporary Restricted Accounts (TRA)
The Committee discussed a proposal for disposition of the balances in TRA funds that have had no revenue or expenditure activity in three years. There is also a TRA with a small negative balance that was discussed. This effort will clean up the list of TRAs and address some confusion on the purpose of some of these funds. The committee plans to present a proposal for these TRAs for Vestry review and approval at their June meeting.
- ❖ CPA Review of 2020 financials
We have initiated the 2020 CPA Review by Holland, Bromley, Barnhill & Brett, LLP. We have turned over electronic copies of the items on the CPA review request checklist. A new CPA will conduct the review since last year's CPA no longer works for the firm. The review should be completed in June or July.
- ❖ Mid-Year budget review and clergy transition
As previously noted, the Committee will conduct an in-depth analysis of income and expense trends for the first half of the year in July. The objective is to make any needed adjustments to achieve a balanced budget at year-end. Effective May 1, the Rector expense accounts will be posted with Rev. Kelly's compensation and benefits. The Associate Rector expense accounts will be used for the new associate going forward. The 2021 budget amounts for these accounts will be revised to reflect anticipated 2021 annual expenses. A small committee will analyze the first half's income and expense account patterns and make their recommendations to the committee.

REPORT TO THE ST. PETER'S CHURCH VESTRY

BUILDING AND GROUNDS COMMITTEE

MAY 25, 2021

EXECUTIVE SUMMARY- DISCUSSION ITEMS

The Committee is requesting that the Vestry discuss the two following items.

- 1) The Committee turned in its bid tabulation for Sanctuary roof repair. Reports were issued to all Vestry, Clergy and Wardens. A discussion is recommended with the Vestry and the Wardens and Clergy to provide guidance to the B&G on how to approach the project.
- 2) The Special HVAC Committee of the B&G turned in their report on the Sanctuary HVAC system. Full copies were provided to the Clergy and Wardens. Due to reproduction expenses of the entire report, only the written report was issued to the Vestry and Finance Committee. No exhibits were included in those reports.

REPORT

1. Walter Hough continues to review possible energy savings and has narrowed down the search for savings to the GA Power light poles and lights. We are unsure if the Church or GA Power owns the lights and poles. Depending on who owns the equipment, a

May 25, 2021

Vestry Minutes



savings of \$ 180 per month can be realized. Any savings that resulted from the analysis of lighting in the Church itself turned out to be minimal and not worth pursuing by either party because of the short operating time of the Church lights.

2. Phil Snyder started to work with McDevitt Air on resolving the thermostat problem in the Parish Hall. One issue led to another until a major overhaul of one of the 10 ton HVAC units serving the Parish Hall had to be undertaken including replacement of the whole cooling coil and work on the condenser. The cost of this work has not been finalized.
3. Stu Evans has kept a close watch on the cleaning crew and they are doing an acceptable job considering the minimal occupancy of the Sanctuary. Their work may need to be reassessed when the Church returns to full Sanctuary occupancy.
4. Art Chapple has been working on the lawn irrigation system to cut off the zone that was being fed by domestic water. He also discovered that the rehab tenant in the Education Wing is using an excessive amount of water. This fact has been brought to the attention of the Wardens who are working on the lease structure to assure that utilities are paid for by the tenants. In addition, Art has been working with Nate and AO Smith to correct the circuit board problems with the main hot water heater which includes replacing the board and draining off the sludge at the bottom of the tank and refilling the unit.
5. Dick Sullivan is taking a well deserved rest after spending 4 months working on the HVAC report. He was an invaluable asset to the project with his extensive knowledge of civil engineering including subterranean and soils issues.
6. Nate has been working with an electrician to get the entry sign rewired and new lights installed. The lighting has not worked for years. He and the electrician found out why certain lights were not operating. The electrician replaced photo cells and Nate replaced lights. He and the electrician also added a dedicated 20 amp circuit on the exterior of the Choir Building facing the courtyard for future powering of lights and equipment for courtyard events. He is also searching for a new landscape contractor.
7. Bids for entry sign work have been received but no recommendation can be made at this time while finances and the condition of the existing sign are being considered.