

**St. Anne's Parish  
Vestry Meeting Minutes  
Tuesday, December 13, 2022**

*Clergy and Vestry Members Present*

Rev. Manoj Zacharia  
Linda Adamson  
Thea Chimento  
Katie Creely  
Lauren Dana-Evans  
Kevin Hays  
Jason Houser  
David Huggins  
Townsend McNitt  
Glenn Mortoro  
Paul Pope  
Bill Silva  
Susan Thaxton

*Vestry Members Absent*

Howard Buskirk  
Al Collins  
Phyllis Everette

*Non-Vestry Members Present*

Betty Creighton, Diocesan Delegate  
Kay Davis, Diocesan Delegate  
Katie Burke, Clerk of the Vestry

**Welcome and Opening Prayer**

Manoj+ opened the meeting at 7:00 pm by praying the Magnificat and offering some commentary.

Jason then thanked St. Anne's two newest Vestry members, Lauren Dana-Evans and Glenn Mortoro (who also holds the role of Treasurer), and asked them to introduce themselves. Lauren and Glenn shared some things about themselves and their time at St. Anne's.

**Rector's Report**

The Rector's Report had been shared on the Vestry drive prior to the meeting, but Manoj+ wanted to address a few specific things anyway. He let the Vestry know that Joe Clapsaddle will be stepping down as leader of the Rainbow Group, and that Paul Pope and Stan Ward will be replacing Joe as co-chairs. He also shared that Tempest and Ernie are working on a revamp of

the St. Anne's Singers – some lessons will be taken from previous iterations of the group, and they hope to launch the new version in September 2023. Manoj+ also wanted the Vestry to be aware that there is a possibility that Meredith+ will be deployed for a year beginning in July 2023.

Manoj+ had also shared the St. Anne's Parochial Report on the Vestry drive, and he discussed some of the data included in it. St. Anne's is in the 97<sup>th</sup> percentile of all Episcopal churches in terms of Annual Sunday Attendance, and that is significant. We had 27 baptisms in 2021 of people under 16 years of age, which is also a significant number compared to other churches in the Diocese. Susan said that, even in terms of pre-COVID numbers, 27 baptisms in a year is a lot! Paul shared that St. Anne's also celebrated 12 weddings in 2022, after two years of no weddings at all – it's a very encouraging number.

Kev said that it seems like our base is not only strong but actively growing – it's been great to hear the return of little children to church over the course of this year. Townsend remarked that the challenge is in getting the children (and their parents!) to come down the street for Sunday school, and Manoj+ agreed that getting folks to come down Duke of Gloucester to the Parish House has always been a heavy lift. He explained that Tempest will be experimenting with doing Sunday school in the church from 9:15 – 9:45 during the month of January. This experiment will also have the benefit of creating a touch point between the 8 am parishioners and the young families who attend the 10 am service.

### **Diocesan Convention Report**

Kay Davis and Betty Creighton, St. Anne's delegates for the Diocesan Convention in November, gave a joint report on the convention to the Vestry.

Kay described the convention's structure and results. Over the course of Friday, November 11 and Saturday, November 12, the following things happened:

- Scott Slater retired and was honored – he gave a rousing sermon
- There were five elections, with 18 total slots to be filled from a field of 28 laity and clergy candidates
- 4 business resolutions were passed as written
- Of interest to St. Anne's, Kathy+ will continue through 2023 in her elected position on the Bishop's Standing Committee, although she has relinquished her position as Deacon for Public Policy
- The convention recessed to March 2023, when it will reconvene to elect the Diocesan Bishop Coadjutor

Betty then described the convention's highlights and future plans. The convention is very much like the parish's annual meeting – it generally sets the work of the Diocese. On Saturday the Assisting Bishop, Bishop Ihloff, gave an address in which he focused on his work with the clergy

on the commission of ministry. He talked about the changes in the clergy over the 27 years he's been doing this work. In the Diocese of Maryland right now there are 48 people in the process of becoming ordained, ranging in age from 20 to 78. When Manoj+ and Dion+ went to seminary, you spent three years on campus – now the requirement is two weeks on campus, and the rest is online. Despite that loosening of residency requirements, there are more clergy retiring than there are being ordained.

In addition, the clergy coming up know that ministry is going to be a part-time job, and that they will have to have another job as well. (The Vestry was quite surprised by this assertion.) Bishop Ihloff also talked about the state of affairs in the western part of our Diocese, where parishes are often being led by lay vicars with a priest coming in two times a month for communion. The good part of this situation is that the lay vicars are being raised up by the communities they serve – they're from those communities, and they love them and are loved by them.

Betty added that not much was said about the Bishop Search Committee, although she has heard that we're supposed to get a list of candidates sometime in December. Manoj+ added that background checks are currently being done and candidates are being asked to produce videos in preparation for the announcement of a slate of candidates possibly by the end of this week or early next week.

Betty reminded everyone that the new bishop will be elected in March, and then he or she will be Bishop Coadjutor until Bishop Sutton retires, which will happen at the end of 2023 (Bishop Ihloff plans to retire for the final time in June 2023).

Two resolutions were passed that pertain to Diocesan reparation and reconciliation:

1. A resolution to continue reparation and reconciliation funding in the amount of \$100,000 annually. These funds will be used to repair the legacy of slavery throughout the Diocese.
2. A resolution to continue funding the Sutton Scholars at \$100,000 annually (these scholars are high school students from Baltimore).

Betty also shared that a video on the Trail of Souls was shown at the convention, and Linda explained that the Truth and Reconciliation Ministry at St. Anne's had shown the same video at their Adult Forum talk in October.

Susan asked how the \$100,000 for reparations would be funded, and Kay said that it comes out of the Diocesan annual budget. Manoj+ then further explained that it's coming out of the operating budget of the Diocese – this money is different from the million dollars that was appropriated at the 2021 Diocesan Convention for reparations, and it's different from any parish contributions to the reparations fund. This money is coming from the operations level of the Diocesan budget.

Manoj+ also shared that he had proposed a different way of funding this work, although he completely supports the Diocese's commitment to addressing systemic racism in the church. He

simply didn't like the idea of tying up money that a future bishop might want to use in a different way to meet the same goal. The motion passed, however, so the \$100,000 for reparations and the \$100,000 for the Sutton Scholars will come out of the Diocese's operating budget.

### **Treasurer's Report**

Glenn shared the process he has been going through with respect to St. Anne's restricted accounts. There are fifty classes in QuickBooks set up by Steve Fisher, and each of these is now designated as a restricted account. Glenn has undergone a process of combining closely related restricted accounts without losing sight of their original purpose, and he is now confident that he can look at the classes in QuickBooks and see accurate results. Eventually he will complete this consolidation process by documenting the original accounts and then archiving those that have become inactive.

St. Anne's net income through November is \$300,000. This income would typically go into the Capital Account, which the Vestry must approve – the details of this approval will be shared in January.

The cemetery has a net positive income of \$51,000, which the Vestry must approve at the end of the year.

While the PASA budget might not have been quite accurately predicted, their income is still showing a net positive, which is good.

In November the market was a little stronger, and we gained back about 6%.

Susan asked about the \$300,000 net income that Glenn is projecting – what's the biggest driver? Is it pledges or giving?

Glenn said that he thought it was probably both, but that giving was probably a bigger driver.

We're running a deficit in the Virginia Meredith account, which is used for outreach grants. Truist Bank is the administrator, and we receive half of the income, and in the recent history of the past three years we've given out more than we've received each year. We had had a balance in the restricted account, however, that covered the overage for the past two years, so it's only this year where we're lacking. We're currently running a deficit of \$10,959, which the church is subsidizing.

One of the difficulties with this account is that Truist doesn't notify us as to what they're giving us until halfway through the year, whereas we know that the Grants Committee is going to want to give what they gave this year. Glenn thinks that it's doable if the Vestry is willing to take some of the surplus this year, bring that deficit to zero, and put enough more into that account to cover what the Outreach Committee will want to give in 2023. Then the allocation we receive from Truist in 2023 will really set the stage for 2024, and we'll be out of this position where we

have to commit money before we see how much there is to give. We'll discuss this more in January and vote on a motion about it then.

Similarly on outreach grants, we typically put \$35,000 in the budget as a wedge to roll over to surplus. For 2022 \$45,000 was approved - \$10,000 came out of that carry-over surplus. Glenn expects it to work similarly this year – we'll budget for \$35,000, and if the Vestry approves more than \$35,000 it'll come out of the surplus.

Several motions were proposed:

The Lay Employee Retirement Fund was established to pay the pension of three lay retirees, all of whom have now passed away. There is about \$49,000 left in that account. Glenn's recommendation is to move those funds to the General Endowment Fund.

Manoj+ said that he thought that moving the funds to the General Endowment Fund would be fine in this case because we're not going to show realized gains or losses, but he wondered if it wouldn't have been more prudent to move it into the Capital Account in the event that it would have shown realized gain. His concern, he explained, is that if we put it into the General Endowment Fund, it would appear to be income, and might cause the Diocesan allocation to be raised. Glenn responded that, since we're only talking about a couple of thousand dollars, he didn't think it would drive up the Diocesan allocation to put it in the General Endowment Fund.

Glenn then made the following motion:

"I move to authorize the Treasurer to move the balance of the Lay Employee Retirement Fund into the balance of the General Endowment Fund."

The motion passed unanimously.

Glenn then explained that PASA is proposing a nominal 3% tuition increase for the 2023 – 2024 school year, and Vestry members agreed that this seemed reasonable, given tuitions at other preschools in the area. Jason moved to authorize this increase of the PASA tuition by 3% for the 2023 – 2024 school year, and the motion passed unanimously.

Glenn then described the three options the Investment Committee had in determining whether or not St. Anne's should change investment advisors. Since Vanguard had let us know that they were going to raise their fees significantly in October (Dave interjected that the reason we'd gone with them before is that their fees were significantly less), we could either:

- 1) Stay with Vanguard
- 2) Switch to another local company (the Investment Committee explored Morgan Stanley, Merrill Lynch, and PNC)
- 3) Move to the Diocesan investment option, which is through Morgan Stanley

During the process, the Investment Committee decided not to go with the Diocesan option, since we would be forced to give up too much control for their liking. PNC declined to bid, but Merrill Lynch and Morgan Stanley both submitted bids that were very comparable.

After evaluation, the Investment Committee unanimously recommends moving away from Vanguard and moving to Merrill Lynch on the strength of their evaluation criteria, past relationship with St. Anne's, and excellent proposal and presentation.

Glenn then moved to authorize the Treasurer to change investment advisors from Vanguard to Merrill Lynch and to transfer the investment accounts. The motion passed unanimously.

In terms of the budget, Glenn looked at the target pledge number of \$935,000 and took 97% of that, or \$906,000, as the pledge amount to be included in the budget. That number is still well above where we are now, which could prove to be a problem if pledges don't increase substantially. He also looked at the investment account, where previously we had been booking unrealized gains and losses, although we weren't taking money. His strategy this year will be to book nothing, since he would rather not take money if we don't have to. However, if pledges don't get up to where they need to be, we could mitigate that by booking a number there, to balance the budget, and we could actually take the money if we need it. He would rather not have to do this, but the option is there should it be necessary.

Other income items, including giving and back pledging, weddings and funerals, Glenn is trying to keep in line with what we're experiencing this year.

On the endowment distribution, we're looking at about 4.5% of 4.8 million dollars, which is where we were in October. The endowment came up to 5 million dollars in November, but we won't really know the final number from which we'll take 4.5% until January.

On the expense side, the biggest expense as always is salary and housing allowance (reflecting a 4% cost of living increase). This expense also includes overtime contingency and contingency for part-time staff. Nothing has been removed from the salary budget at this point based on the information that Meredith+ might be leaving in July.

Glenn predicts that overall administrative expenses will be more or less in line with the 2022 budget, with the significant addition of expenses related to strategic planning (he estimated about \$15,000 for strategic planning administrative costs).

Clergy expenses were a little high last year, due to some extra classes and spiritual direction pursued by clergy in 2022.

Bill Wilbert gave Glenn some numbers for expenses related to the building and grounds, but Glenn has estimated somewhat higher numbers for facilities in the budget. Jason added that what Bill and the Facilities Committee budget for is just what they foresee as regular expenses, not big-ticket items, so the higher numbers might be a good idea.

The Diocesan allocation is up \$16,000 this year, but as we have previously discussed this is based on the fact that the Diocese is taking our PPE loan as if it were income, so it's likely to be a one-year-only increase that we'll be able to absorb this year.

On the cemetery side, an unusual donation was received this year from allowing vehicles to park on our land, so we won't expect that donation to recur. Other than that, there's not a lot of difference from the 2022 cemetery budget.

Kev asked whether the 97% of the target pledge amount Glenn took for the budget was based on historical actuals, and Glenn said that it was. He also said that he might have preferred to use 95%, but that the numbers don't seem to suggest that that's necessary.

### **Stewardship Update**

Dave shared that, as of today, we have 185 pledges (74% of our target number of pledges) for a total of \$662,938 (71% of our target total pledge amount) and an average of \$3,583 per pledge (96% of our target average). These numbers put us 24 pledges lower and \$111,000 behind where we were at this time last year.

Jason added that normally around this time he'd break up the list of folks who have historically pledged but have not pledged yet this year and ask Vestry members to each take a chunk of names and call them to see if they're intending to pledge. He has worked out a script for these phone calls, and will share the script with the rest of the Vestry. However, he suggested waiting a few more weeks to begin this process, and Dave agreed – some of the pledging families that are missing have historically been major donors, so they simply may not have gotten around to it yet.

Susan suggested also sending out a text with a link in it to people who haven't pledged yet, or an email, since different people respond best to different types of communication. Manoj+ also shared that there had been a slight glitch recording pledges with the Vanco system, but that the mechanics of righting the glitch were being figured out.

Jason gave a big thanks to Dave for all his stewardship work, and the rest of the Vestry agreed.

### **Nomination Committee**

THE VESTRY WENT INTO EXECUTIVE SESSION TO DISCUSS POTENTIAL VESTRY NOMINEES WHOSE NAMES WERE NOT READY TO BE ANNOUNCED PUBLICALLY.

After the Vestry returned from Executive Session, Manoj+ called for several volunteers to work with Kev on putting together the Annual Meeting, which is coming up on February 5. Several volunteers will also be called upon to help Jason and Manoj+ plan the Vestry retreat, which will hopefully be returning to an in-person retreat in March or April.

Jason reminded everyone that both he and Dave Huggins will be leaving the Vestry in 2024, so the Vestry retreat might be a good opportunity to start raising up new leadership.

Manoj+ raised the idea of potentially having the Annual Meeting in the church, but Paul expressed an objection to that idea, saying that it had been tried once before and had resulted in a very bad, uncomfortable meeting. Lauren agreed that you might run the risk of trapping people who weren't intending to attend the Annual Meeting if you have it at the church. Linda opined that serving small snacks at the Annual Meeting, rather than a complete meal, had worked well in the past.

### **Secretary of the Vestry Report**

Linda wanted to highlight a few significant things from the Secretary of the Vestry's Report, which had been shared on the Vestry drive, including the following:

- Anne Arundel Connecting Together (ACT) has a new Lead Organizer, Katie Zinler, and she has met with Manoj+. ACT also received funding this year from the Episcopal Diocese of Maryland's Diocesan Reparations Fund.
- The Truth and Reconciliation Ministry approved its name change.
- The Racial Reconciliation Collaborative, an interfaith organization led by St. Philips and supported by the St. Anne's Truth and Reconciliation Ministry, has completed the banner selection part of its banner project. The final banner message will read, "Conversations Build Community." The next step will be bringing the final banners back to each faith organization's governing body for approval, after which the banners can be hung as a common message all across the Annapolis area.
- The Truth and Reconciliation Ministry also seeks clarity about the role it will play in the congregational listening sessions recommended by the Executive Committee and voted on by the Vestry at the November meeting.
- The Cemetery Committee has had its first meeting with Nature Sacred. A member of the Clay St. community has agreed to be on the steering committee for the Nature Sacred project, which the committee is very happy about.
- The Realm Work Group will launch scheduling through Realm in January, which should hopefully save Kirsten a lot of work.

Linda also made a request for Vestry members to volunteer to serve as ushers for the Christmas Eve and Christmas Day services, since not enough people had signed up, and a number of members volunteered. Manoj+ mentioned that around 1600 people are estimated for our Christmas services, including 700-ish at the 5:30 pm service on Christmas Eve and 400-ish each for the 3 pm service and the 10 pm service.



### **Vestry Resource Guide**

Townsend shared that the final chapter in the Vestry Resource Guide is on clergy transition. Since St. Anne's just went through a clergy transition, and since many people in the room were intimately involved in the search process, she didn't think that the topic required much discussion.

Manoj+ added that it is actually a rare occurrence that members of clergy search committees continue to take an active role in the church after the new clergy come on board. Vestry members were surprised to hear this, and Manoj+ said how happy he was that St. Anne's had bucked this particular trend.

Manoj+ had assigned himself the Appendix of the Vestry Resource Guide, and he shared that the only thing he really wanted to talk about was how best to foster a culture of communication. He plans to have this conversation with the new Vestry in February. Paul added that he would recommend working through the Vestry Resource Guide again with the new Vestry – he found it very helpful, and was heartened to see how many of the recommendations St. Anne's is already doing.

### **November Minutes Approval and Closing Prayer**

The November minutes were approved unanimously as submitted.

Katie Creely then offered a closing prayer, and the meeting was adjourned at 8:46 pm.

Respectfully submitted,

Katie Burke  
Clerk of Vestry