

**St. Anne's Parish
Vestry Meeting Minutes
Tuesday, January 11, 2022**

Clergy and Vestry Members Present (via Zoom)

Rev. Manoj Zacharia
Linda Adamson
Howard Buskirk
Thea Chimento
Al Collins
Katie Creely
Betty Creighton
Kara Friedell
Kevin Hays
Jason Houser
David Huggins
Sharon McElfish
Townsend McNitt
Sarah Morse
Paul Pope
Susan Thaxton

Non-Vestry Members Present

Katherine Hilton, Registrar
Katie Burke, Clerk of Vestry

Welcome and Opening Prayer

This meeting was held on Zoom, due to the rising cases of the omicron variant of COVID-19 in the Annapolis area.

Manoj+ opened the meeting with a prayer at 6:03 pm, taking inspiration from Kierkegaard's notion of faith being risk with direction. When all is risky, all disrupted, as it has been for years now due to the COVID-19 pandemic, our direction should be toward the Lord. Vestry members offered prayers for those impacted by COVID, for teachers, for all hospital workers, for government officials, for the needs of our parish, and for Manoj+ himself, who is healing from a broken arm.

Rector's Report

Because of the budget discussions to come, there was no official rector's report this month, but Manoj+ offered a few thoughts.

We made it through Christmas! In terms of attendance, St. Anne's didn't have the 1900 Christmas worshippers we had in 2019, but we did have 700 this year, which is great considering that the number was 0 in 2020.

Manoj+ also shared that the HR committee is currently scheduling interviews for the Director of Children and Youth Ministries, as well as for the Assistant Priest.

Nomination Committee Updates

Paul let the Vestry know that the Nomination Committee had forwarded to the Executive Committee the slate of previously vetted candidates, but that the Executive Committee had delayed bringing it before the Vestry, with the result that we are now a bit behind the usual timeline for making the nominations public to the congregation.

Jason said that he, as Senior Warden, had wanted to touch base with those potential nominees that he had never met before bringing the slate to the Vestry. He has now done so, and he, the Executive Committee, and Manoj+ all approve of the slate that has been presented. He asked Paul to share the names with the Vestry, which Paul did.

Nominees for Vestry:

Al Collins
Phyllis Everette
David Jackson
Bill Silva
Susan Thaxton

Nominees for Diocesan Delegate:

Betty Creighton
Cindy Hartman
Katherine Hilton

Additionally, there will be a new Treasurer this year, as Susan Thaxton is stepping down from that role. The new Treasurer will be Glen Mortoro.

Manoj+ explained that the process now will be to have the biographical sketches of each nominee and other related material published, which can happen as soon as possible. In the meantime, the names can be announced in the eblast this Thursday.

Paul said that he would instruct the nominees to submit their bios and proceed from there.

Facilities Update

Because of the budget discussions to be conducted during this meeting, there was no official facilities report, but Sarah shared that the committee is still finalizing the bathroom renovations and took a tour of the Parish House on Saturday in support of this goal.

Paul added that during the walkthrough with Wayne and Bill he noted that the door that had been wrapped because of the water leaks had been sealed again, and that the mold remediation in the undercroft was amazing – “It’s crystal clean down there!”

Stewardship Update

Dave gave a brief update on pledging, indicating that six pledges were received in the past week totaling \$32,000. A discussion arose about whether or not to send out a second letter to those parishioners who had pledged in previous years but who have not yet pledged this year.

Linda recommended trying a different type of contact, something with a more pastoral flavor, rather than a direct letter. Townsend agreed and suggested a widespread message, mostly one of gratitude for how generous parishioners have already been during these difficult times. Manoj+ recommended a two-pronged approach: the type of message suggested by Linda and Townsend will be sent through the bulletin and the eblast, while at the same time he and Dion+ will approach those from the “haven’t yet pledged” list with pastoral care in mind.

Manoj+ also shared that, around the country, many parishes are experiencing a 25-30% decrease in pledging. That is not happening at St. Anne’s, for which we are all very grateful. Dave thanked all those who had made personal presentations this year, which really helped encourage pledging, and Jason thanked Dave for all the stewardship work he does every year.

Budget Consideration

As the discussion about the budget was intended to be the key topic of this meeting, Susan made an overall presentation of St. Anne’s financial state at the end of 2021 and the specifics of the proposed 2022 budget, and then the Vestry voted on seven specific motions. Her presentation covered the following points:

- We finished the year with a significant surplus, which can be attributed to several factors:
 - Extra giving was recognized at the end of the year. Prepaid pledges that are usually accounted for in January were somehow not accounted for this year, so it looked like money magically appeared, but these were in actuality the prepaid pledges being noted in the end-of-year Treasurer’s Report.

- On the revenue side, we ended up in a good place, with \$120,000 over what we budgeted to receive (we never expect 100% of pledges to be fulfilled, and we budget accordingly, so in cases like this year we end up being pleasantly surprised).
 - The investment income was \$132,000, which was in keeping with market trends, but was significantly more than what we had budgeted.
 - We also had significantly fewer expenses than we budgeted for, due in part to staffing gaps and in part to low ministry expenses (not an intentional reduction of ministry expenses – these were cases where COVID prevented us from doing some of the ministry things we had budgeted to do).
- We intentionally budget a \$35,000 surplus every year which is then moved into the outreach fund for the following year. Aside from that \$35,000, we will have to vote tonight on what to do with the rest of the surplus.
 - On the cemetery side, we also ran a surplus of \$30,000 for the year – this was driven by a greater number of lot sales than we'd anticipated.
 - The endowment balance had a really good year. The endowment allotment for 2022 is based on the value of the endowment on December 31, 2021, so ending up where we did will mean that it's a larger draw for 2022 than it was for 2021.
 - In terms of giving, people were really generous this year, and we ended up being in a good place. This says a lot about the generosity of our church and the people who value its place in their lives.

A discussion then arose about what to do with the 2021 surplus. The Executive Committee recommended adding an additional \$10,000 to the outreach fund and placing the rest in the capital account. They added that once it goes into the capital account, that doesn't mean that it goes away forever – we're setting it aside to use at a later date, when a need arises.

Susan shared that one of the benefits of taking this approach is that it's really hard to plan effectively when some key staff aren't here yet. We have a budget that can pay their salaries, but if they get here and there are things that they want to do that aren't in the budget, we can always go to the capital account to fund those things.

Al pointed out that the cemetery also has a \$30,000 surplus in its budget, and that Cemetery Committee members have had long discussions about things that they would like to get funding for going forward. Susan agreed that part of what must be decided tonight is what to do with the cemetery budget's surplus – the Executive Committee proposes that the \$30,000 be put into the cemetery restricted fund, so that the money will be available when and if the Cemetery Committee decides on one or more projects they want to fund (with Vestry approval). Linda, as one of the Cemetery Committee co-chairs, endorsed that plan very heartily.

Al asked about the financial commitment St. Anne's has to ACT (Anne Arundel Connecting Together), which Manoj+ assured him will come out of operating expenses, and will thus be accounted for in the 2022 budget. Kev asked whether St. Anne's has an advertising budget, so Susan suggested that the Vestry move into discussing the proposed 2022 budget, and save the voting on what to do with the surpluses until the end of the meeting.

Susan then gave a budget overview, including the following points:

- What we have planned is a budget for the day-to-day sustaining of the church, with the option to add things in later as needed. For the past two years we've planned and budgeted for things that we then weren't able to do, so her approach with the budget this year has been to stick to the day-to-day things, which is a more realistic approach for the current moment. Because of the surplus in the capital account, we'll have the ability to accommodate some new big things if they should arise during the year, even if we didn't budget for them.
- We still need to plan for a post-pandemic "coming back", since we're still going to be doing that in 2022. This will be a building year, with new key staff coming in.
- This is a break-even budget, which is a financially prudent way to go at this point.
- The 2022 budget anticipates less revenue than what was brought in in 2021, and in terms of the expected investment income the projected revenue is what it's historically been, not what it was in 2021, which was unusually high.
- The other piece of the budget is PASA's rent. We didn't increase the rent last year, because PASA was running a COVID-created deficit, but this budget projection resumes our usual practice of increasing the rent by 5%.
- We are budgeting for less revenue next year, but more in expenses. The biggest expense will be salaries and benefits, including those for staff we are hoping to add this year. There will be a 2% increase in salaries, in addition to filling two full-time positions and one part-time position.
- As to ministry activities and education, we are planning to do more in 2022, and hope we will be able to do it. We're planning for a big picnic to celebrate a "post-COVID" return. Additionally, the Rainbow Ministry wants to participate in Annapolis Pride 2022, and the worship expenses cover the streaming we're now doing, which is pretty consistent with how we did it last year.
- There is an increase in anticipated expenses for children and youth activities. This is to accommodate things the new Director of Children and Youth Ministries might want to do once they are here.

- The diocesan allocation is always a part of the budget. The diocese reduced it for each of the past two years, because of COVID-19, but they may not do so in 2022. We have budgeted for the full allocation. We pay the diocese monthly, at over \$12,000/month.
- In answer to Kev's earlier question about the advertising budget, it's part of the line item for administration costs. The advertising budget is about \$15,000, which includes Becki Roemer's contract pay, as well as money for her to do advertising activities.

The Vestry then went into Executive Session to discuss the compensation part of the budget.

Returning from Executive Session, there was a discussion about estimating some extra funds for the cutting of the cemetery grass, since it's possible that Mark LaBuda might not put in a bid this year. Linda reminded everyone that the grass cutting will be part of the budget, but that putting the cemetery budget surplus from 2021 into a restricted fund will allow the Cemetery Committee to remove some trees that need to be taken down, among other projects. She was pleased to hear that the grounds and maintenance line in the cemetery budget will be used to repair the deeply dysfunctional door to the cemetery building that Vestry members saw Wayne struggling with during the Vestry cemetery tour in October.

The Grants Committee budget requests were fairly straightforward – Susan asked that anyone who sees a real problem with any of the outreach partners to please say so, but that otherwise the outreach budget will be exactly what the Grants Committee has asked for (plus the additional \$10,000 from the surplus, if the Vestry authorizes it). No one had any problems with the Grants Committee requests.

Voting

Having made sure that all discussion of budget-related topics had taken place to all Vestry members' satisfaction, Susan then reminded the Vestry of the seven motions that needed to be made, seconded, and voted upon. Vestry members made and seconded the following motions, each of which passed unanimously:

1. Motion to modify the original Vestry approval of funds for mold remediation, so that instead of the funds coming from the capital account they would come from the operating budget.
2. Motion to add \$10,000 from the church surplus to the \$35,000 already budgeted for the Grants Committee, and to put the remainder of the church surplus into the capital account.
3. Motion to move the cemetery surplus into the cemetery restricted operating account.
4. Motion to adopt the compensation budget as presented, including housing allowances.
5. Motion to adopt the church budget as presented.
6. Motion to adopt the cemetery budget as presented.
7. Motion to adopt the outreach budget as presented.

Jason, on behalf of the entire Vestry, thanked Susan for her amazing work as Treasurer.

Linda then added a few notes about the cemetery, and the increasing prominence it may soon enjoy. Ginger made contact with the head of the new Museum of Historic Annapolis, and its director wants a tour of the cemetery. The museum will begin specifically directing visitors to the cemetery, and the Cemetery Committee looks forward to a productive relationship with the museum.

Additionally, the mayor would like to speak with the Executive Committee, the Rector, and the Senior Warden about several projects that might impact the cemetery, including a small park he hopes to build and the bike path along College Creek that has long been under discussion. If these projects go forward, the cemetery would become a visual feature for those entering the city from Rowe Boulevard. Linda simply wanted to keep Vestry informed about both of these connections – further information will be shared once things start to happen.

Approval of December Minutes, Thanks to Leaving Vestry Members, and Closing Prayer

The December 2021 minutes were approved unanimously as submitted. Manoj+ reminded Vestry members that the Annual Meeting will take place on February 6, at 11:30, and added that, because of the omicron variant, it will likely be a hybrid meeting, with clergy and the Executive Committee in the church and other Vestry members and parishioners attending via Zoom.

Manoj+ then shared his sincere gratitude for the three Vestry members who are ending their time on the Vestry with this meeting, Betty Creighton, Sharon McElfish, and Sarah Morse, as well as for Katherine Hilton, who is ending her time as Registrar. He noted that all four had been part of the first Vestry team he met coming into St. Anne's, and that they would always hold a special place in his heart and the hearts of his family.

Paul thanked Al and Susan for continuing as Vestry members for another term, and said that we would all be going into 2022 with very full hearts.

Betty then offered a closing prayer, and the meeting was adjourned at 8:05 p.m.

Respectfully submitted,

Katie Burke
Clerk of Vestry