

The Church of the Good Shepherd

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Minutes for September 19, 2023 at 6:30 PM Vestry Meeting, held in the Parish Hall

Clergy present: Arianne Rice+, Julia Fritts+

Officers present: Kirsten Lavin (Sr. Warden), Bill Baker (Junior Warden), Cynthia Fraser (Registrar)

Vestry members present: Grace Belkot, Cathy Easter, Mary Ellen Gervais, Marge Rodgers, Barry Rollins, Cheryl Seal

Absent: Jill Hanson, Bill Nesbitt (Treasurer), Charles Warren- resigning

WELCOME AND GROUP CHECK INS:

Arianne + began our meeting with an early evening prayer from the BCP and a check in. She asked, “What is bringing light / good news into your life this month?”

SENIOR WARDEN:

Kirsten gave Bill Nesbitt’s Treasurer Report in his absence. She made a motion that the vestry approve \$50 taking in two installations of \$25K each with the understanding if we don’t need to take \$25K at the end of the year, we transfer a lesser amount. We need this transfer for operating expenses for the rest of the year. Barry requested some discussion, after much discussion Grace made a motion to approve the transfer, and Mary Ellen seconded it, and the motion passed unanimously.

We discussed using unspent funds in the Rector’s Discretionary fund and from Outreach. Outreach currently has \$21K left and Arianne+ proposed we give \$15K to SLYC as we usually do, but that will leave \$6K to give back to the church operating expenses. We discussed that the November 8th fundraiser be targeted to Loaves + Fishes. It will be a Trivia/Games Night with a few raffle items. Bill budgeted \$12K for fundraising so the Trivia Night will be that fundraiser with Chick-Fil-A and encourage kids to attend with games for them while the adults play trivia. Price will be \$15 for singles, \$25 per couple and \$30 for a family.

It was also mentioned that many unexpected gifts come to the church at the end of year and that might help offset our deficit. We also plan to have an active Stewardship campaign this year with a theme “Together We are Enough”, and plan to discuss our cost/share agreement with the Day School.

Bill will be presenting a new budget in October, and Arianne+ said we will have to make cuts and the main items are Staffing/Building/Music.

Bill Baker said we have to stop taking from our endowment or in 10 years we will be broke. We also need to look at long-term maintenance, we are doing some patch work now to save money.

We discussed coming up with ideas to charge for the use of our space. Arianne+ mentioned Charm City Music is starting to use our space this fall for music lessons for children and their parents.

Arianne + mentioned that on All Saints Day we should mention that people should sign up for the Columbarium if they are interested.

She said the decline of people attending church nationwide is a reality and prior to the pandemic she was in conversation with Holy Comforter about combining some activities.

Arianne+ also mentioned she was going to write a letter to neighborhoods around Good Shepherd asking if they enjoy our space that they might consider a donation.

Kirsten read IRS Code 107 which is about not taxing a housing allowance for Julia Fritts+. The approved amount is \$65,000 for 2024. Marge made a motion to accept this allowance which was seconded by Mary Ellen and approved unanimously.

SENIOR WARDEN'S WRITTEN REPORT

The Sr. Warden presented the Treasurer's report on behalf of the Treasurer who was unable to attend the meeting.

The Vestry approved an additional \$50,000 from our disciples endowment to meet the cash flow deficit for this operating year. The transfers will be in \$25,000 increments. The second increment should be only what is required based on monthly accounts in December and no more than \$25,000. With the following discussion about the budget:

- We are aware of the possibility of a significant deficit at the end of this calendar year. We also recognize that while we operate in a deficit we will need to make more significant changes in operating status within the next decade - that will require more time and discernment with our community, as well as other communities in the archdiocese.
- As we approach October budgeting season, I am asking every committee to take a serious look at any potential areas available to reduce spending before the end of the year.
- For Outreach, we are hoping to defer or eliminate any remaining distributions for funds that have not already been committed.
- Arianne and I will be having a similar conversation about the microloan program. While that program is funded from the disciples endowment, if we are needing to take money out of the disciples endowment to fund our operating budget, it does not make financial sense to continue this program in the current format.

There are some small and incremental ways in which we can immediately affect our budget in a more positive way:

- There is the potential to replenish some funds for ministries using the Rector's Discretionary Fund.
- The Executive Team will be meeting with Sarah about a revised cost sharing agreement with the school and will emphasize their use of the school at large.

- Members of the Finance Team are looking into Church fees – use of space and fees for certain liturgical services; a revised conversation about Memorial Gifts – how can people donate and be recognized with plaques and such, and a new initiative around the Columbarium – reviewing all costs and how we communicate as an opportunity for planning to launch around All Saints Day.
- A revised stewardship campaign will begin on 10/15 and run for 4 Sundays. We will use the theme We are Enough to focus on ways we can all contribute.
- A Trivia Night and Raffle will be held on November 8. Details are below:

Housing Allowance

The following resolution was duly adopted by the vestry of The Church of the Good Shepherd at a regularly scheduled meeting held on September 19, 2023, a quorum being present:

Whereas, Section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income a church-designated allowance paid to him/her as part of his/her compensation to the extent used by him/her for actual expenses in owning or renting a home; and

Whereas, The Rev. Julia Fritts is compensated by The Church of the Good Shepherd exclusively for services as a minister of the gospel; and

Whereas, The Church of the Good Shepherd does not provide The Rev. Julia Fritts with a rectory, therefore, it is hereby

Resolved, that the total compensation paid to The Rev. Julia Fritts for calendar year 2024 shall be \$70,000 of which \$65,026 is hereby designated to be a housing allowance; and it is further

Resolved that the designation of \$65,026 as a housing allowance shall apply to calendar year 2024 and all future years unless otherwise provided.

Planning For Trivia Night

Date/Time: Wednesday, November 8, 6-8 pm

- Money will directly support the unhomed in our community and our feeding and clothing missions of Loaves and Fishes
- Suggested donation for families: \$25 per couple, \$30 for family
- Food: Chik fil a – Sara Noon
- Games: Trivia – Grace and Jeff
- Kids games /entertainment - Sara Noon
- Raffle: Do not be in person on trivia night to win.
- \$25 each ticket, \$40 for two
- Two-three big ticket items needed (think Raven’s tickets, art, vacation homes, etc.).
- Discuss collection of additional items for Loaves and Fishes
- Encourage outstanding pledge cards to be brought to trivia night.

TREASURER'S WRITTEN REPORT:

1. Our financial condition is guarded and continuing to deteriorate
2. Contributions are still running significantly behind both budget and projection. Our current projected shortfall in this category is \$67,824 representing 11% of our overall revenue budget. As a result, we will need additional funds transferred from endowment funds to support cash flow (operations) for the remainder of the year. **I am requesting the vestry to approve transfer of an additional \$50K this year to support operations.**
3. We budgeted \$12,000 net proceeds from Fundraising Event(s) for 2023. This income is being removed from our projection. This adjustment will increase our deficit by an additional \$12K.
4. Our overall projected deficit after these adjustments is approximately \$113K for the year. We have spent \$75K from our endowment balances so far in 2023 to support operations.

STATEMENT OF FINANCIAL CONDITION 08/31/23:

1. Investments and Bank accounts = ~\$1.06 million
2. Operating Account balance = \$23,168
3. Liabilities = \$8,688 - Memorial funds = \$3,532, security deposit for rectory = \$4,450
4. Total Equity = ~\$2.75 million

STATEMENT OF ACTIVITY 08/31/23:

1. Pledge income is down \$45,379 compared to this time last year
2. Salaries are up \$30,619 compared to last year
3. Employee benefits have increased \$10,779 compared to last year
4. Outreach expense is \$10,065 less than last year at this time

JUNIOR WARDEN:

Bill Baker said the HVAC controller will be installed on Monday. There are loose tiles in the Foyer, and the ceiling in Smith Room bathroom will need attention at some point. The stairs to the back of stage and entrance to classrooms needs repair; he estimates it will \$5K and will be shared with the Day School.

He said the family renting the Rectory is happy and plans to stay another year.

They talked about the Safety Meeting, a Baltimore County Police officer came and walked our campus and said we have too many doors. It was suggested we lock the columbarium door once the service starts. We need to make a Safety Committee and we need to have Life Support classes. It was also mentioned the courtyard is not well lit.

JUNIOR WARDEN WRITTEN REPORT:

- The new controls for the HVAC system which serves the parish hall and several of the school's classrooms is scheduled to be installed the week of 9/18.
- The outside stairs which lead to the backstage in the parish hall are deteriorating to the point that they are not repairable and must be removed. The school currently uses a door beneath the stairs to enter/exit to the playground. We are securing estimates for the demolition during the school's Christmas break.
- Some of the floor tiles in the foyer are coming loose and need both grout and possible replacement. Unfortunately, the company that installed the floor appears to be out of business. We will get estimates.
- The ceiling in the lavatory in the Smith room needs attention.
- The rectory lease expires the end of September but continues month to month. The tenants have no immediate plans to move and could potentially be there for another year. "They feels lucky and blessed to call it home."

RECTOR'S REPORT:

Arianne+ welcomed Julia Fritts+ as our part time Associate Rector. She will assist with Pastoral Care, worship and Day School Chapel.

She mentioned Charm City Music will be paying \$350 a month to use our campus for music lessons which may lead to a children's choir. It was suggested we see if he would provide music for our Trivia Night.

Arianne+ said Charlie was hoping to return to the Vestry, but is resigning due to health reasons. She said we will need to fill his position and those rotating off the Vestry, and we should be thinking about nomination for the Annual Meeting in January.

She said the "Blessing of the Animals" will be in the Parish Hall at 9:15.

She enjoyed the consecration of the new Bishop at the National Cathedral. Marge will be our representative to the Convention at Claggett with Mary Ellen as the alternate. Arianne+ has joined the Diocesan Standing Committee, which is the Vestry for the Diocese, and will be retiring from the SLYC board.

She will be attending a retreat in Ohio soon for rectors to learn about retirement though she has no plans to retire!

She has been in conversation with Tom Murphy at St. Thomas about combining for a youth pilgrimage like we have had in the past, maybe to Honduras.

Arianne+ asked us to mark our calendars for the next Vestry Meeting, Oct 17^t and December 12th is the Day School Board Holiday Party.

OUTREACH COMMITTEE REPORT:

Barry said we should all give kudos to Clay McNally for his leadership in organizing Camp Imagination. It was a huge success.

He said the shelves in the foyer have been filling up nicely, he has made 5 trips to ACTC with food donations from Good Shepherd. Suzanne Whitney resigned from ACTC as she has moved to Gibson Island.

We need to start thinking about our Thanksgiving basket drive.

Next Outreach meeting is October 3rd at 6:30. The September meeting was cancelled.

HOSPITALITY COMMITTEE REPORT:


Cheryl mentioned that October 1st will be "Make a Sundae" Sunday!

PASTORAL CONCERNS:

Arianne+ mentioned some parishioners who needed our prayers and opened it up to the vestry to add names. We then closed with the Lord's Prayer.

The meeting concluded at 7:52 PM.

Submitted by Cynthia Fraser, Registrar for the Vestry

Signature 

October 7, 2023 amended the minutes to reflect Bill Nesbitt's email from Sept 24, 2023:

1. The budget will not be presented to the Vestry in October as stated in the minutes. Further discussion of the possible changes to revenue streams and cost cutting need to be held before we can create the budget, and I will be absent from the October vestry meeting. In addition, we cannot complete a draft of the budget until at least the September financial information is finalized. It is more likely we will have something for review toward the end of October. It is also likely that we will need to convene a vestry meeting in December for the purpose of approving the finalized budget (as we have done the past few years).

2. The \$12K we budgeted for the "event" was removed from the budget projection. If the trivia/raffle event is to specifically benefit loaves and fishes, I am unclear how the proceeds will be applied to the revenue side of the budget. I'd like to get more clarification on that.