

**St. Paul's Episcopal Church
Cary, North Carolina
Vestry Minutes
January 19, 2021**

***Mission Statement:** Acknowledging that all gifts come from God, the mission of St. Paul's Church is to know Christ and make Christ known.*

Identity Statement

St. Paul's Episcopal Church in Cary is home to an active, caring and diverse congregation of the Episcopal Diocese of North Carolina. Through corporate worship, spiritual development, fellowship and service we continue to grow together in faith. We strive to be Christ's welcoming, reconciling and transforming presence in the world through our many and varied ministries.

Call to Order

The Rev. George Adamik, Rector, called a special budget meeting of the Vestry of St. Paul's Episcopal Church to order via Zoom at 7:05 p.m. on Tuesday, January 19, 2020. The following members of the Vestry were present: Vicki Bradley, Kay Burgess, Tyrus Cohan, Sara Concini, Nicole Gatchalian, Andrea Johnson, Mary Kintz, Frank Laney, Christa Magee, Francine Pearce, and Allan Thunes. Newly elected Vestry members Gerri Batchelor, Tom Fransen, Oliver Gatchalian, and Guy Vitaglione were present. John Goehrke, Treasurer; and Lanny Wase, Clerk, were also present.

Formation

Vicki Bradley opened the meeting with a prayer. Allan Thunes volunteered to bring a prayer for the next meeting.

Information

1. Vestry Retreat: January 22-23: The 2021 Vestry Retreat is scheduled for Friday, January 22, and Saturday, January 23. It will begin around 7:00 p.m. on Friday and run until about 9:00 p.m. The Saturday morning session will begin around 8:45 a.m. and run until about 4:00 p.m., with several breaks during the day. George will email a schedule to Vestry members.

Decisions

1. Review of Minutes: Allan Thunes made a motion to accept the December 17, 2020, minutes as written. Kay Burgess seconded, and the motion was passed unanimously.

2. Action Register Review: Clerk Lanny Wase reported that there were no outstanding incomplete items from 2020.

3. Treasurer's Report: Treasurer John Goehrke reported that 2020 had been a very good financial year and that the parish is in a strong financial position. Total income of \$90,089 was unfavorable to budget by (\$33,801) and favorable year to date by \$167,371. Total expenses of \$85,750 were favorable to budget for the month by \$6,302 and favorable year to date by \$104,474. Net income of \$4,339 was unfavorable to budget by (\$27,499) for the month and net income year to date of \$271,844 was favorable by \$271,845. Month end total cash was \$1,628,519. Of this amount, \$1,149,970 is earmarked for restricted funds. There was \$355,265 in operating cash. The Capital Fund balance was \$880,248, with \$201,725 in Maintenance Reserves and \$678,523 in Capital Projects.

Frank Laney made a motion to file the December 2020 Treasurer's Report. Mary Kintz seconded the motion, and it was passed unanimously. The December 2020 Treasurer's Report, Balance Sheet Summary, and Profit and Loss Summary are hereby incorporated as part of these minutes.

Discussion

1. 2021 Budget: Treasurer John Goehrke presented a preliminary proposed budget of \$1,053,335. This budget includes funding for an additional Associate Rector starting May 1, and a Facilities Manager, and

a Newcomer Incorporation Position, starting as of July 1. The budget also includes a 3% salary adjustment pool for current staff. The Preschool usually reimburses the parish operating budget for a portion of the Preschool Director's salary and benefits. The amount for 2021 is budgeted to be \$23,500, instead of the normal \$46,300 since the preschool is not running at capacity due to renovations and Covid-19. John Goehrke recommends funding the difference between these amounts from the St. Paul's operating cash. However, this would show a negative net income of \$23,000, instead of the usual income net of \$0. The possibility of getting another PPE loan to help the preschool was discussed. John Goehrke and Brandy Satterfield have looked into this and based on their findings, we may not qualify at this time. They will continue to pursue this. A decision on approval of the 2021 budget was deferred until final Stewardship pledge income numbers are known.

2. Stewardship: Mary Kintz reported that to date 274 pledges have been received for a total of \$944,084. So far the trend shows a net gain, both in new pledges and in increased pledges. There are still approximately 30 former pledgers from 2020 who have not yet responded. George will send a stewardship progress letter to parishioners, which can be included with the end of the year statements. Christa Magee, Kay Burgess, Frank Laney, Vicki Bradley, Allan Thunes, Francine Pearce, and Gerri Batchelor volunteered to help with the mailing, although probably not all will be needed.

3. Refinancing Mortgage: Mary Kintz reviewed Capital Campaign pledging. Now that renovations have begun, we have a better timetable for payments due and cost overruns. Brandy Satterfield and Mary provided a detailed spreadsheet on overruns and the impact to the budgeted costs. People continue to make payments on their pledges; we are not aware of any additional changes to the predicted revenue from pledges due to the pandemic. In order to meet the payment timetable (work will be completed while pledges are still coming in) and cover any shortfalls, we must obtain short term financing in some way. John Goehrke and Brandy Satterfield have consulted with the Finance Committee and our banker to inquire about best options, given 2021 is also the year of refinancing our mortgage on the church property. The bank is willing to extend a new mortgage that will include the shortfall, with an added incentive to pay down the loan amount as Capital campaign funds are received, without any penalty, and reducing our monthly mortgage payment. We might also consider decreasing the loan amount by using proceeds from the land sale to the Town of Cary. This will allow us to complete renovations and take advantage of low interest rates for our mortgage, while keeping our mortgage payments near the same baseline over a 10 year period. Frank Laney made a motion to apply for a loan of \$1,700,000 at a rate of 3.1%. Kay Burgess seconded and the motion was passed unanimously. The Standing Committee of the Diocese will need to approve this loan.

4. Timing of New Vestry Transition: Mary Kintz made a motion that new Vestry members will become active after 5:00 p.m. on the day of the Annual Vestry Retreat. They will assume voting privileges at that meeting. Before that time, the current Senior Warden will handle any business, signing of papers, etc. Frank Laney seconded the motion and it was passed unanimously. This decision will be included in the St. Paul's Vestry Procedures.

In Addition

George Adamik thanked outgoing Senior Warden Mary Kintz for the exceptional work she has done for the past two years, serving through a Rector sabbatical, capital project, and pandemic. She and her husband Andy will receive a gift card for a weekend of their choice at the Umstead Hotel and Spa, as well as gift cards to some restaurants.

Adjournment

Nicole Gatchalian made a motion to adjourn the meeting. Mary Kintz seconded, and the meeting closed at 8:45 p.m. with the Lord's Prayer.

Respectfully submitted,

Lanny Wase
Clerk of the Vestry