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VESTRY MEETING MINUTES

Monday, February 24, 2020

Vestry Present: Newman Aguiar, Richard Ammons, Leigh Bordley, Amanda Fratrick, Treat Harvey, Pamela Njai, Dan Pearson, Freda Tucker, Glenn Walters, Callie Woods

Vestry Absent: Kelly Ryan, Dave Shumate

Clergy Present: Jonah Kendall, Sally French

Guests Present: Charlie Steele, John Yeatts

Call to Order The regular monthly meeting of the vestry of St. Philip's Church convened on February 24, 2020 at 6:05 pm in the St. Philip's library, the Rector being in the chair and the Clerk being present. Jonah Kendall opened the meeting with a prayer.

Minutes (see Dropbox)

We reviewed the minutes of the regular vestry meeting on January 23, 2019. Treat Harvey made a motion to approve the minutes of the regular vestry meeting of January 23, 2020. Amanda Fratrick seconded the motion; it was approved nem. con.

The 2020 budget was not passed at the December meeting. Instead a provisional motion was made by email to continue the 2019 budget until the 2020 budget was passed and then to make the 2020 budget retroactive to January 1, 2020. Amanda Fratrick moved to accept the provisional motion made by email. It was seconded by Richard Ammons. The motion was approved nem. con.

Treasurer's Report (see Dropbox)

- John Yeatts presented the Treasurer's Report and the Financial Report

- Newman Aguiar moved to approve financial report, Dan Pearson seconded. The financial report was approved nem. con.
- In the past we have spread the pre-paid pledges over the year evenly but now we will be budgeting them with more up front to more accurately model how we receive pledges. This will be reflected in future financials.
- Last year the vestry elected to use a different auditor after nearly 20 years with the same one. The vestry needs to identify and engage an auditor. It was suggested to do this on a regular schedule in the future. John Yeatts will communicate to our current auditors that we are switching.
 - Richard Ammons, Charlie Steele, and a non-vestry parishioner (Carolyn Talbot) will look at new auditors. They will return to the vestry with a recommendation.
- The budget had an \$18,000 surplus. It was recommended that we put this back into the Harris portion of the endowment. We will need to designate a purpose for the surplus in the future as it has not been previously assigned.

Old Business

J2A Update

- Charlie Steele presented an update regarding the J2A curriculum and moving forward with respect to Leader Resources and Church Publishing. This resulted in an extended conversation about the best way to move forward with publishing the J2A curriculum.
- 25 years ago this parish engaged in the writing of the curriculum that became known as J2A. The J2A curriculum was licensed to Leader Resources to market and distribute the curriculum. For a number of years this was highly successful. We received 10% royalty (3% to authors, 7% to St Philip's). Over time, it became obvious that the curriculum badly needed revision. Sally French spearheaded the task with a committee of contracted writers to revise and update the curriculum. The process of rewriting the curriculum is nearly complete. As part of this process, the J2A Committee discerned how to move forward. They concluded that St Philip's did not have another round of edits in them and it would be best to hand off the curriculum to a publishing company that would be capable of continuously developing J2A. A great deal of time was spent trying to move forward with Leader Resources. Ultimately this did not work out and it was decided that the better course was to turn over marketing to Church Publishing, which is owned by the national Episcopal Church. They have the resources to continue developing the curriculum; after video meetings, they expressed great excitement and contributed ideas for distribution. The J2A committee was encouraged by these video meetings. In order to move forward, however, Church Publishing requires us to completely sever the relationship with Leader Resources. We have 2 contracts with Leader Resources; only 1 has a termination clause. Leader Resources does not want to let the second part go. We explored

going forward with Leader Resources receiving a percentage of the new curriculum, then proposed simply buying them out. Leader Resources is currently using a website with online download for J2A curriculum experiencing small sales and minimal effort. The idea of buying them out was more appealing in terms of tying this off completely. After extensive negotiations we have finally reached a deal with Leader Resources.

- St Philip's would pay \$75,000 to Leader Resources in exchange for a full release and a recognition of property rights of the J2A curriculum. If sales exceed \$200,000 in any of the first 10 years, we will pay them a \$5000 bonus for a maximum of 5 years. Leader Resources will continue to have J2A listed on their website as a link to Church Publishing. Leader Resources will receive 5% royalties from that link (half of the 10% that we would receive from Church Publishing). Leader Resources will be free to contact Church Publishing on training programs and other things but will have a do not compete contract so will not be involved in any curriculum similar to J2A.
 - Regarding the 5% of royalties that Leader Resources receives from sales through their website, we have not yet asked if this is something that can be reimbursed by Church Publishing. Church Publishing's position has generally been the Leader Resources is a relationship that St Philip's needed to deal with on our own.
- Church Publishing will have certain responsibilities, including future revisions, as St Philip's does not have the resources to do those. J2A will remain the intellectual property of St Philip's; it has been copyrighted by St Philip's. The length of the agreement with Church Publishing will be negotiated. We currently do not have a term of agreement with Church Publishing. Church Publishing is nervous about a conflict of interest so will not enter into a contract until the relationship with Leader Resources has been resolved.
 - This means that St Philip's will still have input as the copyright holder. The primary editors have been Sally French and Elizabeth DeGaynor. They will also retain input as editors. The exact relationship and how much control St Philip's will have and the level of input is still to be determined.
- The link on Leader Resources' webpage will remain. The purchases from that link will likely atrophy over time. The link will be to the new version of the webpage.
- At this point, our options for moving forward with Church Publishing are either to agree to the above severance deal with Leader Resources or pursue legal action against Leader Resources. St Philip's has a good case but it is hard to know what would happen in reality. Legal action would also involve paying a lawyer to represent St Philip's. There is also the time that this would involve.

- Ideally, the curriculum would be ready this spring so that churches could have it in place for use in the fall. The license for the J2A curriculum is currently and will continue to be an annual license. Churches pay to download the materials and ideally do this on a yearly basis. However, there are cases of it being downloaded and then used for multiple years.
 - At the peak of J2A being bought, approximately 90% of churches with youth groups used J2A. Currently, 100 churches out of 3000 churches with youth groups large enough to use it purchase the curriculum. Many other use a hybrid curriculum and old downloads for which they are no longer paying.
 - Projections have not been done for future sales.
 - It was discussed that we could in fact just put the curriculum on our own website and give it away for free
 - We need to decide whether we are going to look at this financially or if we are doing this as a service to the community
 - Previous vestries concluded that we are not necessarily facing the same market as previous years but this is partially an offering to the wider church. It may not be a large source of income.
 - If we did nothing with the curriculum from this point forward, we would have spent \$20,000. We are unsure if we will be able to recoup the \$20,000 and the \$75,000 from the deal with Leader Resources. We have not done sales projections.
- Suggestions for funding the \$75,000 included the use of the Harris Fund or Fran Gordon fund. The Midget Fund is solely funded by royalties from J2A. It traditionally has been used as scholarship money for the J2A pilgrimage. A portion was also used to pay for the revisions St Philip's is doing now. There is not enough left in the fund to cover the \$75,000.
- A discussion around the benefits of a rejuvenated J2A program for our parish ensued. There are definite benefits for St Philip's but there are even more if the curriculum is widely shared because it can extend our connections beyond the parish. At its peak, J2A was the preeminent youth formation program in existence and today it is one of two (EYC is the other). The edits to the J2A curriculum were driven by the need for an effective and engaging program for youth, and past vestries have thought that is worth sharing. Currently, it has greatly affected the YAC curriculum which was previously almost nonexistent. Previous vestries saw it as more akin to outreach than sale numbers. If it never went anywhere in terms of sales, it would still be a valuable contribution.
- With respect to the curriculum development timeline, we are in the final portions of editing the YAC piece. Those revisions are expected to be finished by April. Following the completion of those revisions, there are a few more weeks of work. Initial thoughts are that it will be completed by May but potentially sooner.
 - If we have not resolved Leader Resources, St Philip's will be able to use the curriculum but will not be able to charge for it or use it beyond St Philip's.

- There is no hard timeline. It was proposed that we use the new curriculum on our own as a beta test as the questions of potential sales and value have not been answered.
- The overall discussion involved much talk of the tradeoffs between us being able to offer a wider contribution to the church and the financial component. Methodist and Lutheran congregations also use the curriculum.
 - Concerns were raised about the need to use Church Publishing given that we can publish it ourselves on the website.
 - It was raised that J2A is much bigger than this congregation and St Philip's could potentially expand it for smaller churches. Church Publishing has the resources for this.
- Newman Aguiar moved to authorize the work to forward the settlement with Leader Resources and move forward with next steps to continue J2A at the cost of \$75,000. Dan Pearson seconded the motion.
 - Further discussion included the potential to ask Church Publishing for projections before entering into a relationship with them. Charlie Steele says we can do this but they will not do this until our relationship with Leader Resources is settled.
 - It was raised that, if we approve this motion, the basis of our decision would not be financial, it would be that the curriculum is valuable and needs to be made available to the world, and there is a cost but we decided to do it anyway.
 - Sally French can provide materials previously shared about the new curriculum and more concrete numbers associated with the original curriculum.
 - The motioned passed with 7 voting for the motion, 3 against.
- Amanda Fratrik moved to ask finance committee to propose where the \$75,000 to fund the Leader Resources deal will come from. Glenn Walters seconded the motion. The motion was approved nem. con.

New Business

Mawethu Ncaca Ordination Candidacy

- Mawethu Ncaca is up for candidacy to be ordained. The vestry is responsible for authorizing this. He has been previously presented by St Philip's and approved by the bishop.
- Glenn Walters moved to authorize Mawethu Ncaca for candidacy and Treat Harvey seconded the motion. The motion was approved nem. con.

Parochial Report 2019

- Every year we file a parochial report, which is due to the Diocese at the beginning of March. It is a review of our financial activity and the life of congregation (how

many active members, how many children, ASA, etc.). This document is used in part to provide info for the diocesan assessment (a little over 10%). In the Episcopal Church, we fund upward.

- Jonah adjusted the membership numbers last year (reduced to 600) and then spent last summer going through the membership books and making them as accurate as they can be at this point in time. This exercise produced a large confirmation class as he found that many active attenders had not been confirmed/received. Based on the summer's work we are now at 657 members. This number counts children and adults at St Philip's.
- Richard Ammons moved to accept the parochial report, Treat Harvey seconded. Approved nem. con.

Outreach Committee

- Leigh Bordley and Freda Tucker presented the allocated outreach budget for 2020 (found in Dropbox). The outreach organizations consist of a mix of those within St Philip's and outside organizations.
- We have increased the amount being given to Durham CAN. All organizations had an increase in their budget over last year. There is still \$4721.64 left in the outreach budget. A form will be given to all the organizations that they can fill out to request more money and state how they would allocate it.

Junior Warden's Report (see Dropbox)

- Dan Pearson recapped the Junior Warden's Report found in Dropbox.
- Robert Hallyburton continues to go above and beyond in contributions to the church. He completely redid the drainage system this past month. There is a very good possibility that this has eliminated the flooding we have experienced in previous years, but this remains to be seen.
- In January there was a great deal of condensation in the chapel. The heat exchanger in the furnace on the chapel side of the church froze, resulting in much higher water bills because of the water leakage. The money to pay for this will come out of the capital reserve. Dan Pearson is investigating to see if it is covered by insurance.
- Dan Pearson presented a report on fixing the church structures (found in Dropbox).
- Dan Pearson motioned for the vestry to direct the Buildings and Grounds Committee to prepare cost estimates for a comprehensive restoration plan for the church to include interior, exterior and roof. Freda Tucker seconded the motion. The motion was approved nem. con.
- Dan motioned that the vestry appoint a committee comprised of a member of the finance committee and 2 - 3 additional vestry persons, to recommend a viable option or options to finance the restoration of the church

- It was raised that the finance committee can perform this task instead of a second committee. Additionally, we could wait to do this until we have a cost estimate.
- A consensus was reached that the vestry would come back to this motion at a later time.
- Current timing for restoring the church walls looks like it would be about 1 year out for full work. Dan Pearson spoke to a company last summer and while they could start on a smaller scale in 3-4 months, a larger process would be about a year out.

Senior Warden's Report

- Richard Ammons attended a conference for the Consortium of Endowed Episcopal Parishes with Treat Harvey and Jonah Kendall, resulting in interesting conversations with other parish leaders about issues with which we are also dealing. These included the stewardship of physical and financial resources, how we can build diverse communities, and how we may engage the external community.

Rector's Report (see Dropbox)

- Jonah Kendall recapped his report which can be found in Dropbox.
- Amanda Fratrick will be collecting written comments and emails from parishioners about the Harris financial gift and placing them into Dropbox. Vestry members should forward all emails they receive to Amanda so we can accurately track the comments from the congregation.
- A letter from the bishop about sexual assault in the church will be included in Sunday's bulletin. We want to encourage people to speak up in a confidential way, hopefully leading to a sense of healing. We will let the congregation know that this is available to them as part of a pastoral response to those who have been injured.

Pastoral Concerns

Jonah and Sally shared pastoral concerns.

Dismissal and Adjournment Sally closed with a prayer. The meeting was adjourned at 8:32 p.m.

Respectfully submitted,
Callie Woods, Clerk

Motions from the Vestry Retreat
Saturday, February 29, 2020

Vestry Present: Newman Aguiar, Richard Ammons, Leigh Bordley, Amanda Fratrik, Treat Harvey, Pamela Njai, Dan Pearson, Kelly Ryan, Freda Tucker, Glenn Walters, Callie Woods

Clergy Present: Jonah Kendall

Amanda Fratrik moved to empower the finance committee to put the new assets from the Harris gift into a quasi-endowment or invest it in a way they see as financially prudent. Newman Aguiar seconded the motion. The motion was approved nem. con.

Newman Aguiar moved to proceed with the RFP process for the Ryals Garden Committee and Garden Close. Richard Ammons seconded the motion. The motion was approved nem. con.

Respectfully submitted,
Callie Woods, Clerk