

CHRIST CHURCH CHRISTIANA HUNDRED

Vestry Minutes

July 10, 2025

7:00 PM

Present: Chuck Arensberg, Ran Barton, Ruth Beresford, Cindi Cozza, Barb King, Shelley Kinsella, Kendall Meldrum, Thorpe Moeckel, Scott Nickle, MJ O'Connor, John Olsen, Jamie Poston, Wil Stith, Jaq Whalen, Alexia Wolf

Also Present: David Beresford, Jon Payne, Thom Peters, Deb Piper

The meeting was called to order by the rector at 6:59 PM, and she offered the opening prayer. All in attendance introduced themselves to Thom Peters, incoming Associate Rector.

Driving the Strategic Plan

The three goal teams met separately to review the DACI matrix for strategic plan goals and to clarify and prioritize next steps for Year Three Benchmarks.

Goal 1 Grow - Barb (lead), Ran, John, and Kendall (David joined)

Goal 2 Deepen - Jaq (lead), Cindi, Jamie, Alexia, Shelley, MJ (Thom joined)

Goal 3 Steward - Thorpe (lead), Scott, Chuck, Wil (Ruth and Deb joined)

Unfinished Business

Gift Acceptance Policies: Barb presented the draft Gift Definitions, Procedures, and Disposition document and the Gift Acceptance Policy document that were originally discussed at the December 2023 Vestry meeting. Questions were raised about cash (currency) gifts in excess of \$10K, the potential need to verify that gifts to the church are not ill-gotten gains on the part of the donor, whether cryptocurrency should be added to the possible instruments of gifts, and the need to clarify the wording on gifts of insurance policies. Barb, John, Shelley, and Deb will work together on polishing the drafts.

Peace Pole Initiative: Jaq summarized the background on the Matsumotos' offer to pay for the installation of a Peace Pole on the church grounds. She reported that she, Connie, and Ruth met to discuss the plan. An 8-foot aluminum pole has been ordered with the words "May Peace Prevail on Earth" etched in English, Spanish, French, and Japanese on its four sides. In addition, there will be a brass plaque with the inscription in braille. The pole will be placed in the ivy bed next to the handicapped ramp to the chapel, and installation is scheduled for Sunday, September 21.

Managing Parish Resources

Property Update on Leak Remediation Project: Jon Payne reported that Whiting-Turner will be on site on July 11 to make preparations, including installation of signage, access barriers, and materials to seal out dust from the chapel and protect its windows. Construction sub-contractors will commence demolition on Monday, July 14. Handicapped parking spaces for the Parish Center have been moved to the staff parking area until the project is completed. Whiting-Turner has

confirmed that all construction personnel who will be on site have passed background checks, even though they will not be interacting with preschool students. Jon summarized the process for how we will be invoiced.

Resolution to Finance This Summer's Construction: John addressed the draft resolution that was sent to the Vestry in advance. He thanked Mark Parsells, Michael Flynn, and Thorpe for their assistance in developing it. He explained why the group felt the necessity to include in the resolution all the background information on the project and the options considered to fund it, in addition to the terms of the loan from the endowment, the guardrails placed to ensure that it is repaid within ten years, and the commitment to plan and carry out a capital campaign within the next two years. Barb asked why the \$9,486 in Preconstruction cost is part of the project total but not included in the loan amount. John explained that that expense was approved by the Vestry earlier in the process and has already been paid, and he added a footnote to the resolution to clarify that. Chuck asked if the 4% interest rate is appropriate given that the market is currently earning higher returns. Ruth responded that Master Fund A is not earning as much as the S&P index, and the 4% rate was carefully chosen by Mark based on actual returns on cash in the endowment. She noted that the diocese would have charged the same rate. Ran remarked that he heard from a parishioner that we should not charge ourselves interest at all, but give ourselves grace. David questioned whether the 10-year repayment term is long enough; John responded that that term would provide sufficient time to mount and complete the capital campaign (which is expected to generate at least the bulk of the funds needed to repay the loan) as well as sufficient time to repay any shortfall of the loan amount not raised by the campaign. All Vestry members commended the team for the comprehensiveness of the resolution. John moved the resolution as amended with the footnote and to correct typos, Chuck seconded, and the motion carried unanimously. The full text of the resolution is appended to these minutes.

Finance Update: The detailed report is in the Vestry SharePoint.

CCEP Update: Cindi reported that the Trustee retreat will be held on Tuesday, July 15. Trustee meetings are moving from the second to the third Tuesday of the month. Thus, the update from their August meeting will occur at the September Vestry meeting.

Personnel: Ruth reported on the search for a curate.

Leading the Congregation

Presence of Vestry at Parish Events: Ruth reviewed the list of fellowship, formation, and ministry events from July 13 through August 3.

Report from the Rector: Ruth noted two upcoming funerals, as well as a Eucharist on July 23 to send off the 30 pilgrims traveling to England to join the 39 members of the choir and their families and other supporters.

Report from the Wardens: Ran noted that anonymous parishioners have already made a \$25K gift toward the roof project. Alexia emphasized the donors' intention that the gift is being made in support of the Vestry as we embark on the capital campaign, as well as in support of the continued vitality of Christ Church. Ran will be developing an FAQ document about the work, and welcomes contributions from the Vestry of Qs and As.

Meeting Tasks and Takeaways

Approval of Minutes: June's meeting minutes were approved as presented.

Resolution to Approve Clergy Housing Allowance for Incoming Associate Rector: Jenno read the following resolution:

"It is hereby resolved that \$16,840 is designated as an allowance for the expenses of providing a home (parsonage allowance) for Thomas W. Peters and his family, based upon the attached statement of housing expenses for the 2025 calendar year, submitted by Thomas W. Peters. It should be understood that Christ Church Christiana Hundred does not represent that this parsonage allowance is excludable from gross income. A decision to exclude it must be made by the individual himself. Christ Church is not responsible for the consequences of this election."

Scott moved the resolution, Barb seconded, and the motion carried unanimously.

Concerns and Thanksgivings: Thom expressed gratitude for the warm welcome he has received from staff and parish since starting this week. MJ and Ruth spoke about the Jalonga mission trip in June. Next year is 25th anniversary of that partnership; Ruth will be assembling an adult reunion trip around Presidents Day weekend in 2026. Jaq reported that she was gratified by the enthusiastic response to the "Planning as We Age" sessions produced by the Elder Ministry. Shelley commended the pollinator garden behind the labyrinth, planted last fall by the Creations Care Team, which is having its first bloom.

To-Do Assignments and Talk-Abouts: Ruth and Jenno recapped the tasks identified throughout the meeting. Scott added that the Stewardship Committee is seeking brief blurbs for use on social media on why we give to Christ Church, to be sent to Deb.

The closing prayer was offered by Ran. The meeting adjourned at 8:58 PM.

Respectfully submitted,
Jennifer O'Connor, Clerke

RESOLUTIONS OF CHRIST CHURCH CHRISTIANA HUNDRED (“CCCH”)

Vestry Resolutions Regarding Parish House Repairs and Endowment Loan Financing

(Funding Parish House Project (Remediation of Damages
relating to water seepage originating primarily in the Roof and Chimney)

WHEREAS, The Parish House has experienced increasingly severe water seepage from various sections of the property, including areas of the roof, chimney and other structures, resulting in significant (and increasing) damage;

WHEREAS, the Property Committee has been analyzing the causes and scope of the water damage, and in March 2025 reported as follows:

Leaks were first reported in the Parish Hall before 2010. We have addressed the various leaks over the years with different solutions but have not been totally successful. Leak projects can be expensive, and the reality of the situation is that a major expense is now required to properly address the major leaks and the damage they have done.

The suspected causes and sources of the leaks include a building whose roofs and walls are of an age when warranties have expired, and materials have aged as well as unsatisfactory design and construction methods utilized during the original construction of the Parish Hall Addition (2000).

Currently, the leaks have increased in location and severity, with active leaks presently identified (Parish Halls, Storage Area, 3rd floor offices, 3rd floor conference room, elevator shaft and around the chimney). In addition, other miscellaneous leaks are starting to appear in areas of the building outside of those identified above.

WHEREAS, in 2024, the Property Committee recommended, and the Vestry approved, a plan for remediation of the major sources of water leakage, which plan involved hiring a design team to analyze the conditions at 3 areas (Parish Hall Roofs, Chimney and Elevator).

WHEREAS, the Property Committee identified experts in building envelope design TBS Services, Inc. – Architects and its consultant Masonry Preservation Group, and a construction manager Whiting-Turner Construction Company (“Whiting-Turner”) (collectively “Consultants”) to help in preconstruction and bidding, and to provide oversight of the actual construction utilizing a Guaranteed Maximum Price (“GMP”) contract.

WHEREAS, on March 27, 2025, the Property Committee, with the advice and support of the Consultants, recommended that repairs (the “Repairs”) should be undertaken to remediate the main sources of water seepage and the resulting water damages, stating:

The Property Committee recommends that we proceed with the current plan to address the first phase of Leak Remediation which will involve the most significant leaks currently identified. The scope of work will include replacing the flat roofs in the Parish Hall as well as the Patio Roof Deck with a basis of design that includes replacing the current membranes with a PVC product (60 millimeter PVC Soprema) which is a significant upgrade over the existing thermoplastic polyolefin single-ply membrane, including increased durability and longevity, energy efficiency, fire resistance, and low maintenance costs. This type of roof installation requires complete removal of the previous roofing material and will be fully adhered to our existing substrate of lightweight concrete. An allowance is included for the potential repair of the substrate, conditions of which are currently unknown.

During the course of the new roof installation, all existing concrete pavers are to be removed, cleaned, and stored for future installation. It was noted that wherever possible these pavers should not be re-installed as they can contribute to roof degradation over time. Several roof areas do not require the pedestrian protection offered by the pavers. The Church may decide to eliminate these paver accessories where possible. Typical PVC roofing materials are colored white for energy preservation; however, other colors are available, and these options will be offered through the submittal process. Most of the roof areas where pavers are unnecessary are hidden from sight and generally non-accessible. Walking mats can be used for maintenance access (i.e., roof drains) in these areas.

Discussion regarding tapered insulation around the existing doorway thresholds, which will require additional waterproofing due to existing water infiltration, was noted. ADA Access will be maintained in these areas, with insulation reduced to allow for existing egress door swings.

WHEREAS, the Property Committee also noted that the Consultants would be conducting additional investigative work to uncover previously unknown aspects of the existing condition of the roof substrate and parapet elements in advance of concluding a final remediation contract, which work was completed by early June 2025;

WHEREAS, according to the Consultants, the estimated costs of the Repairs are as follows:

	DIVISION	COST
01	Concrete	\$10,000
02	Masonry	\$679,100
03	Thermal & Moisture Protection	\$286,012
04	Finishes	\$8,370
05	Plumbing	\$13,500
06	Earthwork Retaining wall	\$100,000
07	Exterior Improvements	\$10,000
SUBTOTAL - COST OF WORK		\$1,106,982
	Preconstruction	\$9,486
	General Requirements	\$27,536
	Estimating/Design/Owner Contingency	\$110,698
	Construction/CM Contingency	\$77,489
	General Conditions	\$5,800
	Staffing	\$76,772
	Liability Insurance	\$14,053
	Whiting-Turner Bond or SDI (Subcontractor Default Insurance)	\$17,032
	Builder's Risk Insurance	\$6,588
	Whiting-Turner Fee	\$72,147
PROJECT TOTALS		\$1,524,583

(collectively the “Repair Costs”);

WHEREAS, the Vestry approved a \$1,515,097.00 GMP contract¹ with Construction Manager Whiting-Turner Contracting Company (the “Whiting-Turner Contract”) to undertake the Repairs, which agreement was signed on behalf of CCCH after Vestry approval on June 18, 2025, with an execution date of June 13, 2025;

WHEREAS, the Finance Committee explored several alternatives to finance the Repair Costs, including loans from the Diocese and from various financial institutions; however, the Diocese does not provide loans of the size sought by CCCH without imposing a lien requirement, and the financial institution lenders likewise required such loans to be secured by a mortgage against CCCH real estate and also required loan interest rates *exceeding* the CCCH rates of return on its cash and cash equivalents in the CCCH Master Fund A endowment account as well as in CCCH short term operating and cash management account investments;

WHEREAS, the Finance Committee also considered financing the Repair Costs internally by borrowing funds from the Special Maintenance endowment fund (the “Endowment”);

¹ The \$9,486 “Preconstruction” expense line item from the above table was paid prior to contract execution, resulting in a final contract cost of \$1,515,097.00.

WHEREAS, the Finance Committee determined that no alternative sources of funding (outside of CCCH) were acceptable and/or viable;

WHEREAS, in order to access funds from the Endowment, the Vestry adheres to the requirements of the CCCH “Endowment Fund Statement of Purpose and Policy” (the “Endowment Policy”), which has been in place since at least January of 1996 and reflects the expectations of the generous donors who contributed to the Endowment; it states in part:

The purpose of the Endowment Funds at Christ Church is to provide a reasonable reservoir of support which will ensure the financial health of Christ Church as it carries out its mission and ministry. [Such support includes: (i) contributions to the annual budget not to exceed 5% of the Endowment Fund balance and (ii) physical plant maintenance].

Only in **extreme financial emergencies** should the Endowment Funds be used for other parish projects. In those rare instances, **provision for complete payback to the endowment over a specific time period** must be determined and documented in advance by the Vestry. (Emphasis added)

WHEREAS, the Vestry has determined that the immediate need to undertake the Repairs to the Parish House, and the costs to be incurred to complete that work, create an “extreme financial emergency” within the meaning of the Endowment Policy;

WHEREAS, the Vestry, in conjunction with the Finance Committee, has determined that the most fiscally prudent course is to borrow from the Endowment to pay the Repair Costs (the “Endowment Loan”), and that all Endowment funds borrowed to finance the Repair Costs be repaid over a specific time period and with interest at a rate consistent with CCCH’s historical investment rate of return, such that the Endowment account can be made whole once the loan repayment is complete; and

WHEREAS, the Finance Committee has reviewed Endowment account historical rates of return on its cash and cash equivalent investments and determined an annual interest rate of 4.00 % reflects the average interest earned on the cash and cash equivalent investments in the Endowment account and is an appropriate interest rate for Endowment Loan.

NOW, THEREFORE, IT IS HEREBY RESOLVED, that, as required by the Endowment Policy, the Vestry declares that (i) the cost to immediately remediate the damage to the Parish House creates an “extreme financial emergency” that justifies borrowing from the Endowment account and (ii) such loan shall be repaid in full, with interest; and further

RESOLVED that the Vestry recommends and approves a plan to borrow up to \$1,515,097.00 from the Endowment to pay the Repair Costs, all in accordance with the Whiting-Turner Contract unanimously approved by the Vestry and executed as of June 13, 2025; and further

RESOLVED that the terms of the Endowment Loan be, and hereby are, as set forth below:

1. The maximum amount of the loan shall be \$1,515,097.00, and the loan shall bear a fixed annual interest rate of 4.00%;
2. Funds may be drawn in increments as needed to pay approved bills as they come due, and principal and interest payments will be calculated on a monthly basis based only upon the funds that have actually been drawn from the Endowment account;
3. The Endowment Loan repayment period will be 10 years;
4. During the first 24 months of the Endowment Loan term (the "Interest Only Period"), only interest, and not principal, will be due on the outstanding loan, which period will commence 30 days from the date of the first draw from the Endowment account;
5. Following the conclusion of the Interest Only Period, payments of interest and principal shall be made on a straight-line amortization basis over the remaining 96-month (8 year) repayment period of the loan;
6. Loan payments shall be due and payable on or before the fifth day of each month. If the fifth day is a federal holiday, a church holiday, or falls on a weekend, payment will be due by the next following non-holiday business day; and further

RESOLVED, that the Vestry shall undertake and oversee a capital campaign or other fundraising effort(s) with at least one of the objectives being to raise sufficient funds to repay the Endowment Loan in full; provided, however, that should such a campaign not raise sufficient funds to repay the Endowment Loan in full, the annual CCCH budgets will include provisions to retire the Endowment Loan in accordance with the repayment schedule (such payments will be budgeted annually and authorized monthly by the Finance Committee or the Treasurer); and further

RESOLVED, that with respect to any capital campaign or other fundraising effort(s) to pay for, among other things, the Endowment Loan, such funds that are completed gifts shall promptly be used to repay the Endowment Loan (including both principal and any then outstanding interest), but only to the extent that such repayment is consistent with the donation allocation terms of the fundraising campaign; any such early Endowment Loan repayments will be made irrespective of any Endowment Loan repayment schedule that specifies a later repayment time period (even if, for example, the timing of such loan repayment is before the conclusion of the Interest Only Period); and further

RESOLVED, that the Treasurer shall ensure that the finance manager establishes and maintains a separate accounting ledger for the Endowment Loan and reports quarterly to the Finance Committee on draws, repayments, interest accruals, and any repayments from fundraising sources; and further

RESOLVED, that the Treasurer, the Assistant Treasurer, the Senior Warden and the Rector be, and they hereby are, authorized and directed to execute any documents and take any and all further actions necessary or appropriate to implement the foregoing Resolutions; and further

RESOLVED, that any actions taken prior to the adoption of the foregoing Resolutions, which actions would have been authorized by the passage of the foregoing Resolutions, be, and hereby are, ratified and approved in all respects.

THE FOREGOING RESOLUTIONS were unanimously adopted at a duly called and held meeting of the Vestry, this 10th day of July, 2025.

Jennifer O'Connor
Vestry Clerke