



*Love with the heart of Christ, think with the mind of Christ, and act in the world as the Body of Christ.*

## **Holy Trinity Vestry Meeting Minutes**

**March 21, 2021, 2:00 PM, Zoom Video Conference**

**Present:** Suz Cate (Rector), Noah Stansbury (Assistant Rector), Bill McDaniel (Senior Warden), Clem Watson (Jr. Warden), Jack McKenna (Treasurer), Doris von Kanel, Margaret Edie, Peter Sparks, John Warner, Harry Morse, Bill Purkerson, Ellen Haase, Samantha Nelson, Beth Kunkel, Lynn Luszcz, Mary Lou Sigsby, Beth Kunkle, Jan Cribb

**Guests:** Bob Taylor, Phil Maiberger

Due to COVID-19 social distancing requirements, the meeting was held via Zoom.

Mtr. Suz opened the meeting with a prayer.

### **OLD BUSINESS**

**Minutes from February Meeting:** Harry Morse made a motion to approve the minutes of the February 20, 2021, Vestry Meeting and the Special Called Vestry Meeting on March 7, 2021. Marge Edie seconded the motion. Motion approved unanimously.

**Vestry Retreat Follow-Up: "Think, plan, and love":** Vestry retreat subgroups were to email a summary of their work to Mtr. Suz following the retreat in February. She has not received the summary from one group, so she wants to hold off on Vestry discussion until the April Vestry meeting. Vestry liaison assignments have been emailed, so everyone knows what ministry group they will be working with. Please reach out to your ministry group leaders and ask them to meet with their groups to develop goals for the year using SMART goals guidelines. Please be prepared to report back at April Vestry meeting.

### **NEW BUSINESS**

**March Treasurer's Report:** Jack McKenna said the detailed financial reports are available in Dropbox. We are in good shape financially – nothing raises concerns. The operating budget is stable; we have made our final payment to Trehel for the recent work on Trinity Place; prepaid pledges are coming in; our mortgage liability is down due to payments; plate offerings are down, but that's to be expected with COVID; the Family Ministries position won't be filled before August; we spent \$2,900 from the Nave Enhancement fund to paint and work should be completed by Easter. Jack asked for the Vestry to approve \$1,200 to purchase a new laptop for the parish office (rather than wait for the Finance Committee meeting).

A reminder will go out to those with outstanding pledges for the Doors Campaign.

We have spent more on Outreach than we normally do by this time of year. Harry Morse said we are responding to greater needs during this time of year and due to COVID.

Mary Lou Sigsby made a motion to approve the Treasurer's Report and the purchase of a \$1,200 laptop (actual cost ended up being \$753.27); seconded by Harry Morse. Motion approved unanimously.

**Trinity Place LOANS: See ATTACHMENTS A, B, & C for supporting details**

The parking revenue that is normally used to service debt on our loans for Trinity Place was down dramatically this year, primarily due to the impacts of COVID (e.g., football parking revenue was markedly reduced during fall 2020). Analysis as shown in **ATTACHMENTS A, B, and C** demonstrate actions we may wish to take to address this shortfall. Each Vestry member had the opportunity to share their thoughts, concerns, and opinions about how to handle the debt moving forward. Following much discussion, Ellen Haase made the following motion:

**Motion: An additional draft on the construction loan (originally approved to be \$1.57MM) will be used pay off the acquisition loan (Feb 28, 2021 balance of \$211,737.25). The required monthly payment of \$16,635.61 will be reduced to \$11,704.28, but additional principal payment of \$5,000 will be made monthly on the construction loan to reduce the balance as quickly possible prior to the renewal of the loan (at a possible different interest rate) in 7 years.**

The motion was seconded by Mary Lou Sigsby. Motion passed with four opposed.

The Vestry reaffirmed their commitment to pay ahead on the loan as much as possible to retire the debt as early as possible.

**Senior Warden Report:** Bill McDaniel asked for the Vestry to be vigilant about reaching out to parishioners assigned to them on the Vestry Telephone Tree. We were more attentive to our call list early on in COVID, but we need to continue so that parishioners feel connected to the Church even when they aren't able to be here. Everyone has been given their assignments. Mtr. Suz will resend the phone tree list and an updated copy of the Parish Directory.

**Junior Warden's Report:** SEE ATTACHMENT D for summary. Bill Purkerson asked about signage. Clem said we are waiting on proofs, which we hope to receive this week. The City of Clemson will then have to approve the design, and we can expect 4-5 weeks for production and installation.

**Rector's Report:** Mtr. Suz said she will send talking points that may be helpful for Vestry calls to parishioners (as referenced in Sr. Warden's Report). The first worship service held in the Nave since the COVID lockdown went very well. We have a full schedule of online and in-person services for Holy Week and Easter. Please promote enrollment for the Episcopal Day School. We need more students to register to be viable for next year. The EDS Director position is posted for hire. Our second PPP loan has been approved.

**Assistant Rector's Report:** Rev. Noah reported we have verbal commitment from Emma Harrington to serve as peer minister for the next academic year. Later this week he will be meeting with a member of the Bishop's staff to set goals for next year. Furniture for the Canterbury area in the Parish Hall is expected to arrive soon.

## Ministry Reports:

ATTACHMENT E: Pastoral Care Ministry Team

ATTACHMENT F: Stewardship Committee

### Trinity Place Loans and Possible Plans for Loan Servicing Based on February 28, 2021 Financial Status

The deficit of parking income of \$62,425.35 in 2020 (mainly related to the COVID pandemic) disrupted the planned servicing of the Trinity Place loans. Interest only payments were made on the construction loan until the required principal and interest payments began in February 2021. The three loans are 3.3% interest, and the required payments are:

Loan	Balance (Feb 28)	Monthly Payment	Annual Payment	Payoff (assuming no extra principal only payments)
Acquisition	\$211,737.25	\$4,931.33	\$59,175.96	December 2024
Demolition	\$163,621.63	\$2,720.51	\$32,646.12	August 2026
Construction	\$1,327,713.22	\$8,983.77	\$107,805.24	December 2036
<b>Total</b>	<b>\$1,703,713.22</b>	<b>\$16,635.61</b>	<b>\$199,627.32</b>	

Trinity Place funds are currently approximately \$97,000, and the following remaining Trinity Place expenditures in 2021 are:

- \$5,000 (retainage for completing the punch list)'
- \$13,151.86 (est) for signage (\$21,000 approved by Vestry minus \$7,848.14 down payment).
- \$166,356.10 for 10 monthly payments on the three loans.

Anticipated additional Trinity Place funds in 2021 are \$119,203.02 (Trinity Place 2021 budgeted \$178,018 minus \$68,814.02 received by Feb 28<sup>th</sup>). Thus, Trinity Place funds should be sufficient for 2021, but scheduled Doors contributions drop by \$13,000 in 2022 and by \$80,000 in 2023. Thus, without additional doors pledges into the future or increased Trinity Place revenues, continued annual payments of almost \$200,000 are not possible in 2023.

Since the current construction loan is \$1,327,713.22 and we have been approved for \$1,570,000 (which resulted in the \$8,983.77 monthly payments, \$1,570,000 amortized at 3.3% for 20 years), we have the option of borrowing \$211,737.25 against the construction loan and paying off the Acquisition loan. The table below indicates the much more manageable payment schedule and shows a 7-month early retirement of the 20-year construction loan mortgage.

Loan	Balance (Feb 28)	Monthly Payment	Annual Payment	Payoff (assuming no extra principal only payments)
Acquisition	\$0	\$0	\$0	March 2021
Demolition	\$163,621.63	\$2,720.51	\$32,646.12	August 2026
Construction	\$1,539,450.47	\$8,983.77	\$107,805.24	June 2040
<b>Total</b>	<b>\$1,703,713.22</b>	<b>\$11,704.28</b>	<b>\$140,451.36</b>	

The financial practice of making principal only payments when financially feasible would continue and would shorten the loan retirement times and save interest. For example, if \$5,000 principal only could be added to the monthly Demolition loan payments for next 22 months (the funds appear to be available if Doors contributions and parking revenues remain on schedule), then the Demolition loan would be paid off December 2022, and only the construction loan would remain for 2023 and beyond.

Rev. Noah closed the meeting with a prayer.

Respectfully submitted,

Rebecca Eidson  
Clerk to the Vestry

## ATTACHMENT A

### Holy Trinity Episcopal Parish Analysis of Debt Service Options As of February 28, 2021

#### Summary of Current Debt Situation and Available Options:

- The construction period for the improvements to 195 OGH has been completed; a total of \$1.333 million was borrowed to finance construction; a total of \$1.570 was available to be borrowed under the construction loan, thus approximately \$237,000 is still available to borrow.
- Community responses to COVID have negatively impacted last year's parking revenues which, in turn, has negatively impacted our debt service plan for the debt incurred to acquire and improve the 195 OGH property – **additional funds will be required** beyond estimated future parking revenues and WALLs campaign contributions.
- Accordingly, we must revisit our debt service plan; the finance committee has identified two options for the Vestry's consideration:
  - Borrow an additional \$212,000 (of the \$237,000 available above on the construction loan) to repay the remaining amount due on the existing 2008 note (proceeds of which were used to finance the property acquisition); make the required fixed \$8,983.77 monthly principal and interest payments on the construction note beginning February 2021; this is Option 1;
  - Continue making the \$4,931.33 required fixed monthly principal and interest payments on the 2008 note until it is paid off in December 2024 and make the \$8,983.77 required fixed monthly principal and interest payments on the construction loan beginning February 2021; this is Option 2;
  - Under either option, we will continue making the \$2,720.51 required fixed monthly principal and interest payments on the 2014 note used to finance demolition and the old parking lot construction costs until it is paid off in August 2025.

#### Assumptions, Pro's and Con's of each Option:

##### **Assumptions applicable to both options:**

- Debt service funds will be derived from the DOORs campaign and other donations to the Trinity Place Fund and from parking and rental revenue (on the Pavilion).
- DOORs campaign pledges will be fully paid; as of February 28, unpaid DOORs pledges total approximately \$215,000.
- Football parking revenue based on full capacity (96 spaces) in 2021, calculated using 2019 rates (\$700 per space), with an increase of \$100 per space in 2022 and again in 2024; no further increase in rates or capacity is assumed beyond 2022
- The Pavilion will generate rental income of \$2,100 in 2021, increasing to \$2,450 in 2022 and 2023; no further increase in rate or capacity is assumed beyond 2023.
- Monthly parking revenue will improve more gradually with 2021 income of \$9,600, increasing to \$14,400 (at maximum capacity) in 2022 and beyond.
- Only minimum fixed principal and interest payments will be made on the loans.

- The current interest rate (3.3%) and amortization period (assumed repayment term of 20 years) of the construction loan will not change between now and when that loan is paid off
  - The current construction note matures January 3, 2027 and by its terms requires repayment of the then outstanding balance;
  - While it is likely we will be able to renegotiate the loan, the interest rate and repayment period will be subject to changes in market conditions prevailing at that time.
    - The balance due on the construction loan will be approximately \$917,000 under Option 1 and \$1.2 million under Option 2 on January 3, 2027 assuming only required payments are made;
    - The other two loans will be paid off under either option prior to their current maturity dates and won't require renegotiation).

### **Option 1: Refinance 2008 Loan**

#### **Pro's:**

- Reduces required monthly debt service obligation from \$16,600 to \$11,700 effective March 2021
- Extends the time when additional funds will be necessary for debt service payments from mid-2024 until late in 2036;
- Requires less additional funds to be raised to meet debt service obligations (\$34,000 vs. \$264,000 for Option 2)
- By lowering required debt service obligation, it reduces exposure to the risk of lower-than-expected parking revenues in the near term (but this is not considered a significant risk).

#### **Con's:**

- Extends the "debt free" date until June 2040 from December 2036, lengthening by four years the time the Parish is in debt; continuing indebtedness puts pressure on operating fund pledges and limits the ability to fully fund mission and ministry programs, including staff;
- Requires parking revenues totaling approximately \$354,000 to be dedicated to debt service 3-1/2 years longer than Option 1 there limiting funds for mission and ministry;
- Increases interest costs by \$152,000 over the assumed repayment period.

### **Option 2: Continue scheduled payments on Acquisition Loan**

#### **Pro's:**

- Parish is "debt free" in December 2036, 3-1/2 years earlier than Option 1, which alleviates pressure sooner on the operating fund pledges and increases the ability to fully fund mission and ministry programs including staff.
- Frees parking revenues for mission and ministry 3-1/2 years earlier (totaling approximately \$354,000).
- Saves \$152,000 in interest cost.
- Increases exposure to risk of lower-than-expected parking revenues in the near term (but this is not considered a significant risk).

#### **Con's**

- Requires approximately \$230,000 more additional funds than Option 1 (\$264,000 total) and the funds are required earlier, beginning in mid-2024, to continue making required debt service payments.

#### Additional Considerations and Options

- If Option 2 is chosen, we have a further option to reduce the required monthly fixed principal and interest payments on the construction loan by approximately \$1,500 per month, thereby reducing monthly debt service costs from \$16,700 to \$15,200;
  - This “middle” option would not require any additional funds to be raised and the debt would be paid off at the same time as Option 2 thereby losing the primary benefit of Option 1
  - This option would incur approximately \$45,000 more interest cost than Option 2 and almost \$200,000 more than Option 1.
- Under either Option 1 or 2, additional principal payments over and above the minimum required can be made on the loans without penalty; thus, if Option 1 is selected, we can continue making principal and interest payments at the level required under Option 2 or even higher than that if funds are available.
- Under Options 1 and 2, additional funds will have to be raised to meet debt service obligations; the Vestry has at least three options for obtaining these funds:
  - Conduct a follow-on capital campaign to the WALLs campaign when it concludes in December 2024;
  - Borrow from other existing Holy Trinity Funds (e.g. the Reserve Fund) and repay these funds later with interest; (Note: this may be required under Option 2 on a short term basis because football parking revenues are received in the spring and early summer and not ratably over the year);
  - Use a combination of capital campaign and internal borrowing.

## ATTACHMENT B

### Holy Trinity Episcopal Church Trinity Place Construction Loans Alternative Finance Options as of 28 February 2021

#### Loan with no pay-off

First Year additional funds needed	2023	2023
Parking annual increase starting 2024	0.50%	0.00%
Additional Capital Required	\$ 181,532.81	\$ 228,113.29
Debt free in 2027		
Parking Revenue for 2037-June 2040 after loan paid	\$ 379,016.12	\$ 351,190.00

1. The parish will need to begin raising an additional \$228,113 in 2023 to cover the deficit in parking revenue needed for the loan service.
2. The advantage of the current loan arrangement is that the loan will be paid by December 2036 after which time the parking revenue goes to fund church programs and outreach.
3. The other advantage of the current arrangement is savings of \$148,290 in interest

#### Loan Payoff Proposal

First Year additional funds needed	none	2032
Parking annual increase starting 2024	0.00%	0.00%
Additional Capital Required	\$ -	\$ 64,711.71
Debt free in July 2040 with no additional principle payments		
Additional Interest Cost assuming no addition principle payments	\$ 148,290.63	\$ 148,290.63

1. If parking revenue can begin increasing by 0.5% annually in 2024, no additional funds should be necessary under the Payoff proposal.
2. Without any parking or rental income increase, the parish will need to begin raising an additional \$64,711.71 in 2032 to cover the deficit in parking revenue needed for the loan service.
3. Should additional funds be generated through further parking revenue increases or gifts from parishioners, additional principle payments will reduce the loan balance and interest cost.



## ATTACHMENT C

Bill,

I will join the meeting after I get my bags and find somewhere reasonably private. In case my flight is late or I am unable to join for some other reason, I thought I send some thoughts for you to pass along to the Vestry on my behalf.

1. While COVID has dramatically affected our parking revenue over the past year, the situation will more than likely improve this year. The university is planning for a return to traditional class formats for the fall and I believe that will also allow many student and athletic activities to resume. If so, our revenue from parking and DOORs contributions should be sufficient to meet the original debt service requirements without refinancing the Acquisition note to make them lower. In short, we've largely weathered the storm and cash flow should return to normal.

2. So let's stay the course and get the Parish out of debt sooner. The debt the Parish has taken on to acquire and redevelop the 195 OGH property has been with us a long time and over this period of time significantly reduce our ability for mission and ministry. We have been unable to maintain a full staff and we've had to prioritize one ministry over another to ensure we meet our debt service obligations. While reasonable use of debt is a useful tool, when it has negative effects on your primary mission, it becomes a drag and limits your ability for ministry. The sooner we can retire the debt, the better.

3. Either option will likely require additional funding sources to retire the debt. I think it would be wise to begin thinking now about how new parishioners can be invited to help with the debt service needs and about other ways to raise the additional funds necessary. We have an understanding about how much will be needed. to retire the debt so newcomers can be approached with this need and given the opportunity to support these improvements to the property.

It's really that simple for me. I hate to see us in debt for 20 more years and have to live with the pressure it places on our ministry. I've lived through the years when operating funds had to be used for debt service and that may be required again in the future. But the sooner we get out of debt, the sooner we can get mission and ministry flourishing and be attractive to newcomers, especially young families that will sustain the parish's ministry into the future. If we don't start attractive young people, who will be there later to support the mission and ministry of the Parish?

Best,

Phil (Maibeger)

## ATTACHMENT D

### Junior Warden Report

3-21-21

**Trinity Place:** The contractor has performed a few more punch list items. The primary items outstanding are lighting near TP and pavement repair in front of the church. The contractor has asked his sub to look at correcting the light in front of the office also. I anticipate a shared cost for the office light. The Building and Grounds committee has prepared a draft usage policy for Trinity Place. The policy will be reviewed by legal and brought to the Vestry at a future meeting.

**Signage schedule:** The contractor anticipates delivery and installation of signs 4-5 weeks after approval. We anticipate receiving a revised proof package this week. After the committee has completed their review, the package will need to be reviewed by the City to get their "ok".

**Carillon update:** Our controller and parts are here. We are to install the electrical panel. Bill Hurst is coordinating the electrician and installer to return March 25-26. Cost estimate is in the \$750-1000 range.

**Building & Grounds:** Byron Harder really has the spring colors showing up around the HT grounds.

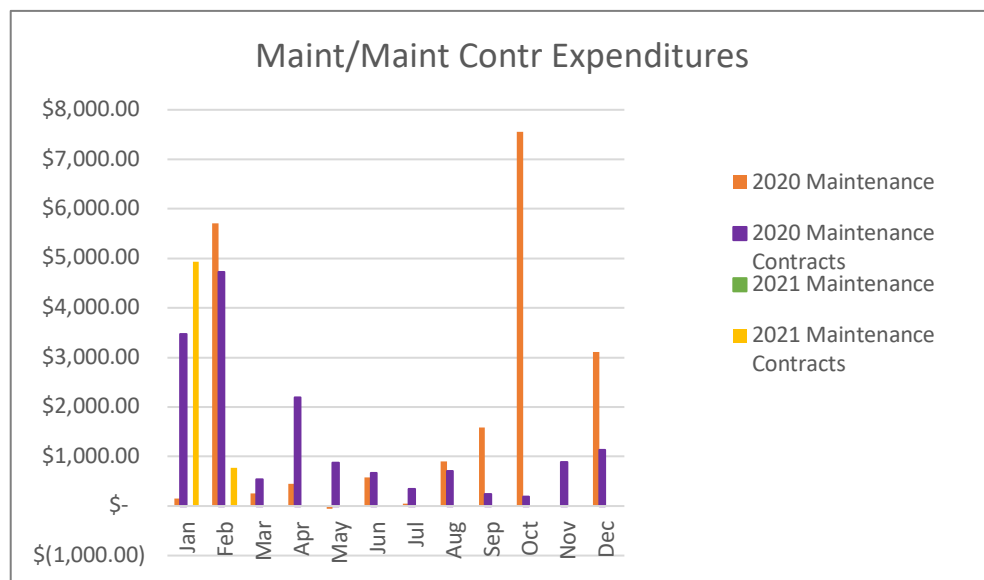
**Nave enhancement:** Demo work for the cross structure and support wall holding the old organ pipes has been completed. A big thank you to Bill Hurts, Byron Harder, Chesley Rowe, and Greg Meeks for there work; and also to Jack McKenna for usage of his scaffolding. The Finance Committee gave approval to the Nave Enhancement Committee to move forward with a contract painter. There will be some additional electrical and HVAC work that will need to be coordinator with the installer.





It is anticipated the new organ will begin installation during the April/May timeframe.

**Maintenance Expenditures:** Maintenance expenditures are on pace with last year.



Submitted by Clem Watson

## **ATTACHMENT E**

Pastoral Care Ministry Team Meeting, March 02,2021, Tuesday at 5:00 pm via Zoom

Purpose Statement: The Pastoral Care Ministry Team is to identify Holy Trinity's pastoral care needs, and to respond in a timely manner to those needs as able, in the spirit of God's love and to the best of our abilities. Pastoral Care may include telephone calls, visits, Communion, meals, transportation to church and medical appointments, cards, prayers, and other assistance as determined through careful listening and prayer.

Mission Statement: The mission of the Pastoral Care Ministry is to respond to the pastoral care needs of Holy Trinity parishioners and their families; to support these needs and to help share these burdens, thus lessening the load; and to connect these parishioners and families to their Holy Trinity family.

### **GOALS:**

- 1- Be aware of the needs of the vulnerable members of the parish and respond to those needs and, more broadly, reach out to those who need connection
- 2- Ensure that parishioners are aware of resources available to help support aspects of Pastoral Care and communicate this information via various channels of parish communication

Opening Prayer from The Book of Common Prayer was said in Unison

Minutes of the meeting from February were not mentioned on this date. They were neither approved or disapproved.

### **Old Business**

Committee members examined our parishioners with special concerns and discussions followed as to how best help these folks

It was noted that Carolyn Foster has been permanently placed at Brookdale, 131 Vickery Drive 710 B Unit, Central, SC 29630. Carolyn likes very much to receive notes and cards.

It was reported that the Valentine Treat Bags with cards were received gladly by their individual recipients.

Widow and Widower card project is moving along nicely, We do have a new widow and would like to find a match for her. Please get in touch with Pam Mack if you know of someone that would be willing to send monthly cards out to Connie Spenser.

### **New Business**

Spring is on its way and hearts are lightened with thoughts of Easter, The committee decided that filling Easter bags with candy and inspirational notes in Easter eggs would be well received by our special parishioners. Suz Cate is going to order the supplies and volunteers will gather to prepare and deliver the gift bags.

Meeting adjourned at 5:51 pm. Next meeting April 6,2021 at 5:00pm

## **ATTACHMENT F**

### **Holy Trinity Stewardship Committee Meeting Minutes 23 February 2021**

March Update - We have just received an additional pledge to our Stewardship Campaign for \$17,000. This brings our total to 125 pledges for \$506,456. Thanks again for your dedicated work with our Stewardship Campaign. Thank you again for serving on our Holy Trinity Stewardship Committee.

The minutes of our meeting which was held on February 23rd are as follows:

- 2021 Campaign goal is 520k. We continue working to meet this goal.
- Below is a summary of pledge cards and the total amount pledged since our meeting on December 1st.
  - December 1 - 109 Pledge Cards, \$459,394 pledged, \$4214.63 average pledge
  - December 14 - 115 Pledge Cards, \$472,294 pledged, \$4106.90 average pledge
  - December 18 - 118 Pledge Cards, \$476,954 pledged, \$4041.98 average pledge
  - December 22 - 119 Pledge Cards, \$477,154 pledged, \$4009.69 average pledge
  - January 12 - 122 Pledge Cards, \$485,254 pledged, \$3977.49 average pledge
  - February 2 - 124 Pledge Cards, \$486,094 pledged, \$3920.11 average pledge, 6 supplemental pledges for a total of \$3362.00
  - February 2 - Total amount pledged is \$489,456.
  - February 23 - Remains at 124 Pledge Cards for \$489,456 pledged.
- We have had one parishioner contact Lynne Farmer to share that they will be making a pledge of approximately \$17,000 in the next few weeks.
- We still have approximately 15 parishioners/families that pledged last year that have not pledged this year. We are continuing to try and make contact with some of these parishioners/families in hopes they will make a pledge.
- We discussed "Project Resource" which is the Episcopal based training program focusing on a Year Round Stewardship Initiative. Ellen Haase, Mtr. Suz and Jody Hunter have volunteered to attend this training.
- Jim Reed discussed with our team utilizing our monthly Tempo communication for year round Stewardship Messaging. Jim has volunteered to submit an article for the March Tempo on Stewardship. We will plan responsibility for future Stewardship messages in Tempo at our next meeting.
- Ellen Haase shared a message from our Vestry in support of a year round Stewardship focus at Holy Trinity.
- I continue to be very proud of the efforts and work of our team on this years Holy Trinity Stewardship Campaign. During this very difficult time, your dedication and commitment to our team have allowed us to overcome the many obstacles we have faced. I still remain hopeful we will meet our campaign goal. - At our next meeting, we will discuss the timing and delivery of messages thanking those who have contributed financially to Holy Trinity.

- Our next Stewardship Committee meeting will be held on March 16, at 6:00 p.m. Mtr. Suz will send out a Zoom link for this meeting. Thanks again for your work and commitment to a successful Holy Trinity Stewardship Campaign.

Sincerely, Jody Hunter