

Annual Report 2022



Lord, listen to your children praying.
Lord, send your Spirit in this place.
Lord, listen to your children praying.
Send us love; send us power;
send us grace.



ANNUAL REPORT 2022

Holy Covenant United Church of Christ

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2021 Annual Congregational Meeting Minutes

Holy Covenant United Church of Christ Annual Congregational Meeting Minutes November 14, 2021

Committee Reports during Worship – (See Annual Report for additional details)

- **Worship** – Kathi Smith
- **Pastor’s Report** – Cheri Dennis
- **Racial Justice and Equity Report** – Holly Middleton
- **WISE Team Report** – Laura Hankins
- **Missions and Justice** – Lloyd Spencer

Call to Order at 12:00pm – Jo Ann Jellison, Consistory President

Establishment of Quorum – Jo Ann Jellison, Consistory President

- There were 61 voting members present. As 51 are required, quorum was met.

Approval of 2020 Annual Meeting Minutes

- Minutes approved

President’s Report – Jo Ann Jellison

- Jo Ann thanked Jimmy Simmons for help in getting the chancel railing installed.
- Jo Ann’s forecast for the upcoming Advent & Christmas season “100% chance of Hope”
- There are still openings for ushers and greeters
- Jo Ann thanked the teams who helped with the transition from in-person to online services
- Buildings and Grounds have been hard at work keeping the site beautiful
- The sanctuary seating was modified to accommodate social distancing
- Consistory began meeting by Zoom
- Jo Ann thanked B&F team for “working their magic”
- Jo Ann thanked Dawn Simmons for her constant presence and hard work for HC
- She concluded with her wishes to soon have everyone back in person for worship and conveyed her best wishes for everyone in 2022

Pastor Search Team Report – Cheryl Milam

- The team began work in February following the completion of the Transition Team report
- They reviewed a total of 88 profiles
- Team met monthly. Progress was slow as many viable candidates opted for other callings
- Cheryl mentioned they have someone they are ‘very excited’ about and will soon hold an in-person interview for that candidate.
- See the Annual Report for a copy of the Pastor Profile

Buildings and Grounds Report – Holly Middleton

- Team met for on-site work
- Priorities for this year: HVAC, plumbing leaks, and outdoor landscaping
- The median at the entrance was replanted with flowers
- 13 of the pine trees onsite died so were taken out
- Holly concluded with thanks to the team for all their hard work

Endowment Report – Alix Felsing

- In 2020, the team funded \$88,000 in grants
- Activity in 2021 was hampered by coronavirus disease (COVID-19)
- Q4 plans include grants focused on Heal Charlotte, homeless hotels, financial literacy, and Dream Key which is a federal housing supplement program.
- Current balance of the fund is \$1,600,000
- Goal is to maintain 3-6% giving off the fund so that base fund is not touched
- Alix thanked the team for all their efforts.

Nominations for Consistory Class of 2024 – Tom Magraw

- **Elder Nominees:** Kristin Andes, Jeff Edwards-Knight
- **Deacon Nominees:** Dominic Ciciollo, Dawn Schmitz, Gregg Walker
- Tom thanked Jeff Edwards-Knight for chairing the team for half of 2020-2021 as well as the rest of the team
- All in person voted yes, 21 remote members voted yes. Nominations passed.

Stewardship, and Proposed 2022 Budget – Debbie Davis

- For Stewardship summary, please refer to page #28 in the annual report
- Total pledges were \$146,000 vs. goal of \$140,000 with a total of 53 pledging units
- The Capital Fund balance is \$40,000
- Mortgage for church will be paid off in May of 2027 assuming no additional principal contributions

Budget and Finance Committee – Martha Bomely

- End of year shows healthy financial position
- Paycheck Protection Program (PPP) revenue in 2021 was \$39,500
- There was a drop in rental revenue due to COVID-19
- \$19,500 in income from the 2020 PPP will be carried over to 2022 to cover the rental revenue gap
- Martha thanked the budget team and Jo Ann
- A 2% salary increase for the staff + Cheri was approved
- If we do not have a called pastor by Jan. of 2022, we still have funds to continue Cheri's expenses as interim pastor
- No contribution was made to the maintenance reserve in 2021
- Liability insurance was increased +\$3,400 in 2021
- Jo Ann Jellison made a motion to approve the 2022 budget. Motion seconded and approved.

Acknowledgment of Teams

Lisa Cloninger as Vice-President thanked Jo Ann and all the consistory officers, team, and committee members.

Jo Ann Jellison adjourned the meeting at 12:35pm

Rev. Cheri Dennis provided the benediction

Respectfully submitted,
Jeff Hughes, 2021 Consistory Secretary

President's Report

At the beginning of 2022, I tuned my heart and mind toward the activities I thought would be front and center for me this year in my role and as we have learned much the hard way since 2020, things rarely go the way they think they will. We had a steady, consistent year of learning a new way of being with each other at home, at work and at church. We continue to be a work in progress. It has been a relief to be in person for worship most of this year and we are averaging 35-45 members in person for worship and continue to have faithful online participation. Some of our covenant groups are active again and some long-term groups like the choir and Sojourners Class are meeting regularly. We all hoped to call a settled pastor this year but we have done some good, difficult work in thanking our original team and supporting a new team to get started with our consultant for the Center for Congregational Health. We needed a sabbath from this work and it is exciting to see what will happen next.

We are a new creation. I'm not the same since the pandemic and neither are you. Some of us experienced some hard losses, some had some really amazing things happen. How we move forward as a church together has to be different too. Some of those changes are a new opportunity and some we have grieved their loss. Others we will be ok to see fade into the background as "how we used to do things".

Fortunately, some of our most valued parts of Holy Covenant life continue to thrive, even if we have needed to serve others in different ways. We continue to strive for extravagant welcome in our congregation and in our community and for that I am grateful. Meaningful worship each week, missions work for those most impacted by social unrest and the pandemic, making our building more accessible to members and visitors, commitment to wrestling with racial equity and justice, providing funding for new projects in the community through our endowment, and the week in and week out visiting and ministering to our congregation who need support are just a few of the ways we continue to show up in the world as a faith community.



As we look toward Advent to celebrate the coming Christ, I pray we will see more members new and seasoned back in the church building. I hope to see the candle light in each of your eyes this year as we sing, "Silent Night, Holy Night, all is calm all is bright."

Thank you for your energy, support and prayers this year as I served in this role.

Respectfully Submitted,
Lisa Cloninger, Consistory President 2022

Clerk's Report

Clerk's Report as of November 8, 2022

Members as of 2022:

203 **Members of Record for 2021 as of 11/10/2021**
+ 0 Confirmands
+ 4 New members
- 4 Deaths
- 5 Transfers
- 7 Removed from Rolls/ adjustment 1
191*

* November 11, 2021 through November 8, 2022

Respectfully submitted,
Dawn Simmons, EAA, Clerk of Records



Interim Pastor's Report

Last year I began my annual report with these words, "As we stepped into 2021, I never imagined that I'd be the interim pastor of Holy Covenant." This year I will begin in a similar way, "As we near the end of 2022, I never imagined that I'd still be the interim pastor of Holy Covenant." Please understand that as I write this statement, I have a huge grin on my face. I am so blessed by God to lead and teach in this congregation so I repeat this paragraph from last year:



"This is an amazing congregation in so many ways, from continued financial support during the pandemic, to finding ways to support the community when so many in-person opportunities were paused, this congregation has been able to continue the work of God's ministry through it all. From the disappointment of the COVID resurgence to the disappointment of not yet having a settled pastor, Holy Covenant is moving forward with renewed hope, knowing that God has a plan, even if we don't know it yet!"

This statement rings true today. Holy Covenant was all of this and more in 2022. Although we celebrated Christmas in 2021 with an in-person worship, January, 2022 saw us back in virtual worship for two months. With Ash Wednesday we began in-person worship once more, hopeful that we could continue through the remainder of the year. And it looks as if we will make it to the end of the year! Praise God.

It has been a joy to lead the Sojourners Class on Sunday mornings both in-person and via Zoom. We explored how to free Jesus from the confines of religion in Diana Butler Bass's book *Freeing Jesus*. We decided that living together in one house as one household wasn't meant for us but that we could appropriate ideas from monasticism to our current context (*The New Monasticism* by Jonathon Wilson-Hartgrove). We attempted to think like first century Jews when interpreting Jesus's parables (*Short Stories by Jesus* by Amy-Jill Levine). Through the Animate Series, we are learning how the Bible came to be both as a book and as a sacred text for Jews and Christians.

I have been blessed to be able to visit in-home with several of our members who are no longer able to come to worship. My hope is to be able to visit more often now that COVID is not quite as prevalent. (FYI-I've been vaccinated and boosted for COVID, flu, pneumonia, shingles, and hepatitis. Yellow fever too, just in case!) Holy Covenant is blessed that several of our members take it on themselves to visit, phone, and write to the folks that I cannot see often. God bless all of you who continue this ministry.

My intention is to be with Holy Covenant until a settled pastor is called, unless the church says otherwise or something unexpected happens. As frustrated as I know many of you are with the search process, I am sure that God has something, and someone, special for Holy Covenant. As the blue tang fish (better known as Dory) says in *Finding Nemo*, "Just keep swimming. Just keep swimming. Just keep swimming." May we all keep swimming in God's love.

Shalom, Pastor Cheri

Racial Justice & Equity Team Report

The RJE team began 2022 with rotating chairs, with Phil Kaveler assuming the role in March and staying until his move to Raleigh in June. The team held regular monthly and planning meetings on the second Monday of the month, through Phil's departure.

Activities:

- The RJE team began 2022 by adding content to the HC newsletter twice a month.
- The team held a follow-up to the 2021 "Black Fatigue" discussions after church on June 5. Participants were broken into small groups to discuss different scenarios on how to recognize black fatigue. Lisa Cloninger and Anne Hayes facilitated the group discussion that followed.
- Black fatigue scenarios were added to the newsletter in June and July.
- The team began research on conducting a church audit.

Members of the team: Kristin Andes, Martha Bomely, Lisa Cloninger, Cheri Dennis, Anne Hayes, Meg Houlihan, Phil Kaveler, Tom Magraw, Holly Middleton, Cheryl Milam, and Dawn Schmitz.

Respectfully submitted,
Jeffery Edwards-Knight

Annual Report of the WNCA Delegates to the Board of Directors

Ed Vickery and Jo Ann Jellison have been the delegates from the Rowan District, which includes Holy Covenant UCC, to the Board of Directors of the Western North Carolina Association of the Southern Conference of the UCC. The frequency and dates of meetings, as well as decisions about whether to gather in-person or virtually, are decided by the Board members. Board president was Rev. Dale Kennedy, Treasurer was Joni Yoder, Recording Secretary was Jo Ann Jellison.

The annual meeting of the Southern Conference was held virtually at the end of September. The annual meeting of the WNCA was planned for an in-person gathering at Abernethy Laurels on October 1; however, Hurricane Ian necessitated that Abernethy Laurels be reserved as a community shelter during the storm. When the meeting was rescheduled for October 22, it was held virtually.

Respectfully submitted,
Jo Ann Jellison

Nominating Team Report

Committee members: Lisa Cloninger, Debbie Davis, Pastor Cheri Dennis (ex officio), Laura Hankins, Jo Ann Jellison, Tom Magraw, Tommy Tomlinson, and Ed Vickery.

Thank you to the members of the Nominating Team for their hard work and insights!

We, the Nominating Team, thank the many people who have served on either a Ministry Team or on the ad hoc Committees this year. Each individual Team / Committee member contributed time and talents which are a part of the fabric of our community that allow us to witness to the wider world.

As we look to the year ahead there are plenty of opportunities to serve on Ministry Teams and Committees. If you have an interest, please contact Tom Magraw or Pastor Cheri Dennis and let us know your area of interest.

We recognize the outgoing Consistory members (the class of 2021). They are: Lisa Cloninger (Elder), Jim Dwiggin (Deacon), Jeff Hughes (Elder), Phyllis Johnson (Deacon), and Von McQueen-Simmons (Deacon).

We are grateful to the Consistory leaders who will serve in the year ahead:

Class of 2023	Class of 2024	Class of 2025
Laura Hankins (Elder)	Kristin Andes (Elder)	Jana Harrison (Elder)
Terrence Hayes (Elder)	Jeff Edwards-Knight (Elder)	Lloyd Spencer (Elder)
Martha Bomely (Deacon)	Phyllis Johnson (Deacon)	Terry Raley-Dennis (Deacon)
Alix Felsing (Deacon)	Dawn Schmitz (Deacon)	Suzanne Lamorey (Deacon)
Dawn Robinson (Deacon)	Gregg Walker (Deacon)	Eric Miner (Deacon)

Respectfully submitted,
Tom Magraw, Chair

Mission & Justice Team Report

The members of our group are: Lloyd and Gussie Spencer Co-Coordinators, Debbie Davis, Suzanne Lamorey, Tina Dickens, Lisa Cloninger, Barb Schneller, Cheri Dennis, Terry Raley-Dennis and Kim Buch.



Even though we're not back to where we were pre-COVID the Missions and Justice team has been very busy and starting to come back. Because of our COVID-19 pandemic limitations we were able to allot some of our unspent funds to other ministries. We provided an extra \$1,000 to our LGBTQ ministries, \$300 extra to the Migrant Bus Ministry, \$300 extra toward refreshing our church garden, \$500 extra toward the Diaper Ministry, \$500 extra to the Sandwich Ministry, and \$400 going toward a new ministry where Holy Covenant would provide assistance to Roof Above as they try to provide their clients with food and drink.

We were finally able to get back to some of our face-to-face ministries back on track. For 2022, Holy Covenant was once again able to march in the May AIDS walk and raised \$1,055

to support the work of Carolina RAIN in helping those living with HIV/AIDS in our community. We provided Transcend Charlotte with \$500 to support their mission to pursue equity and social justice for transgender and gender expansive communities through education, advocacy, mental health and social support services. We also provided \$500 to Time Out Youth to support lesbian, gay, bisexual, transgender, queer, and questioning youth by offering vital programs, fostering unconditional acceptance, and creating safe spaces for self-expression through leadership, community support and advocacy. Our largest outreach was in spending two days at Charlotte Pride and one afternoon at Union County Pride's first festival at Monroe Belk Tonawanda Park, at which we shared information about Holy Covenant UCC to families looking for open and affirming faith communities. Most recently, Holy Covenant held the Charlotte CROP Hunger Walk on our church site, and raised \$860 to alleviate hunger in our local area and the world. It was good to be able to reach out to real people face-to-face once again.

We were also busy in other areas. We prepared 1,600 lunch bags (4,000 sandwiches) for Roof Above. We went and handed out juice drinks to go along with the lunches. We purchased \$2,700 worth of diapers that were delivered to asylum-seeking migrant families (over 24,000 diapers). We delivered 300 hygiene bags and 400 food bags to the Bus Station Ministry where they were distributed to asylum-seeking migrants at the Greyhound bus station as they passed through Charlotte. Last Christmas, we adopted an asylum-seeking migrant family for our Angel Tree, and we collected two car loads of gifts for the children. The mother was so appreciative that she sent so many heart texts afterwards.



Our community veggie garden struggled to produce as much as it did last year so we decided to transform it into a berry garden. Our long row of blackberries did wonderfully so 50 plants were propagated off the existing ones. We're looking forward to great berries in the future.

In short, Missions and Justice is alive and well at Holy Covenant and will continue to be so well into the future!

On a personal note, Gussie and I will be stepping down as Co-Coordinator after 6 years working with Missions and Justice. We will still continue to be active in the ministries that this group oversees as they have become very important to us. Everyone needs to step back occasionally to give us time to do other things at Holy Covenant that are important to us as well. We feel so honored to have been a part of this group and Holy Covenant should feel proud to support the work that it does because it does make a difference.

Respectfully submitted,
Lloyd Spencer

Sunshine Fund

The Sunshine Fund at Holy Covenant provides temporary assistance to members and occasionally non-members of our congregation in times of financial crisis. The Sunshine Fund is a non-budgeted fund that depends on

contributions from members, and friends of the congregation, to operate. Funds are not used until all available community resources are exhausted. The Sunshine Fund Committee is led by Faye Humphrey, Tom Magraw and Lisa Cloninger. All requests to the Sunshine Fund are confidential and can be made by contacting one of the committee members or a Holy Covenant Pastor.



The Donna Collins
Memorial
Sunshine Fund

This year we had 8 total requests for emergency funds.

Starting Balance as of 10/31/2021:	\$ 2291.89
Donations:	\$ 5933.66
<u>Disbursements:</u>	<u>\$ 5755.99</u>
Ending balance as of 10/31/2022:	\$ 2469.56

Respectfully Submitted,
Lisa Cloninger, Sunshine Fund Chair

Pastoral Search Team Report

Team Members, appointed in 2020 serving through May 2022: Kristin Andes, Renee Brown, Jeff Edwards-Knight, Steve Garvey, Justine Hughes, Cheryl Milam (chair), Melissa McQueen-Simmons, Sam Sears, Kathi Smith

Team Members appointed mid-2022: Martha Bomely, D Evans, Alix Felsing, Justine Hughes, Eric Miner, Kathi Smith, Gregg Walker, Debbie Winston, Mike Yonkovig

The Pastoral Search Team appointed in 2020, having reviewed more than 100 pastoral profiles, interviewed at least 20 potential candidates via Zoom & conducted in-person interviews with 5 candidates yet not coming to consensus on a final candidate, informed the Consistory in late spring 2022 that they needed to take a break. Life being what it is, several of the team had personal or situational changes that precluded them from continuing.

Consistory appointed a new team in mid-summer, with two returning members. Beth Kennett from the Center for Congregational Health was contracted to do foundational work, including listening sessions with the congregation, to assist the new team in restarting the process. In early October, the team began meeting to set in place its processes and begin again. The team is committed to transparency and asks for your prayers as they move forward.

Respectfully submitted,
Kathi Smith (team member)

Christian Education Team Report

2022 brought hope for a return to well-attended, enthusiastic Holy Covenant worship services and activities. The team has been as follows: Rev. Cheri Dennis, Jo Ann Jellison, Dawn Robinson, Laura Hankins, Kim Buch, and Cheryl Milam. We had pastoral guidance, as well as Consistory representation. Laura Allison has been paid staff for Children's Church. Jennifer Curlee and Tayler Curlee have been paid staff providing young child care. Although many Sundays there were no children to serve, Holy Covenant is extremely lucky to have such capable, dedicated, and flexible staff. Rev. Cheri Dennis and Laura Hankins provided adult education offerings.

At our meetings, we would discuss programs and communications that might bring a return to attendance at our programs and services. The increasing and decreasing cases of COVID in the community caused uncertainty and low attendance. In the last months of summer and fall, however, attendance is increasing. The team has been planning to offer more to the youth that are older than Children's Church age. We hope that fall and winter will bring more in-person gatherings and fellowship for all ages.

Seasons of the Spirit curriculum is in use, as are UCC approved adult Bible studies, and books suggested by Cheri Dennis and voted on by the Sojourners class. A basic Bible study for middle schoolers has been conducted by Zoom by Jo Ann Jellison. The goals of the sessions are to familiarize the students with the New Testament and Hebrew Scriptures, as well as to point out the Bible's relevance in everyday life and the use of Biblical quotes and stories in secular literature and language.

Respectfully submitted,
Jo Ann Jellison

Worship & Music Team Report

Team Members (appointed to serve in 2022): Martha Bomely, Laura Hankins, Eileen Howe, Melissa McQueen-Simmons, Kathi Smith (chair), Micki Spear, Ed Vickery; ex officio Cheri Dennis, Brian Hankins, Jon Weddell.

The role of the worship team together with the ministerial staff is to plan worship & evaluate its effectiveness on an ongoing basis. Have you ever sat in the worship service & noticed that the call to worship, the music & all the other service elements seem to support the scripture & the pastor's message? That is not a coincidence. The worship team meets periodically to create an overall plan for liturgical seasons. And then week by week, the worship & music leadership selects service elements & music, usually based on the Common Revised lectionary, to create cohesive & meaningful services.

Church member Cheri Dennis has continued to serve ably as our interim pastor, preaching two or more times a month. On the other Sundays we have been blessed by guest preachers from both inside & outside our congregation.

Beginning in July, the Rev. Glencie Rhedrick has been preaching for us once a month, bringing inclusive & inspiring messages. In Advent 2021, the choir resumed rehearsing & being part of the worship services; this has continued throughout 2022. We appreciate Brian Hankins keeping us plugged in & online. Jon Weddell never fails to delight our ears & spirits with interesting & appropriate music.



Following local directives, we are no longer requiring masks in worship, although we want to make accommodations for anyone for whom that is an issue. In-person attendance has begun to average around 50 persons per service, far below our pre-pandemic attendance, but an increase from the previous two years, and we know some folks are still watching online. In keeping with Holy Covenant's commitment to racial equity, we are committed to make our worship persona and traditions reflect the diversity to which we aspire; we are planning a gospel music workshop in early 2023 to help us move in that direction.

This quotation from Augustine of Hippo seems particularly appropriate for the future we look toward ...

“Come, Lord, stir us up and call us back.
Kindle and seize us. Be our fire and our sweetness.
Let us love. Let us run.”

Respectfully submitted,
Kathi Smith (she/her)
Chair

Building & Grounds Team Report

The B&G committee remained busy in 2022. Those serving: Ann Watkins, Bill Hildebrand, Eric Bergstrom, Dawn Simmons, Suzanne Lamorey, John Rapp and Terrence Hayes (chair). Below we have listed each major component of the building along with 2022 repairs and initiatives.

I. BUILDING; completed:

HVAC

- Semi-annual HVAC filter change and system servicing conducted by Southern Comfort

Electrical Systems

- Magnetic automatic door closers added to fire suppression system
- Upgrade to the existing alarm cellular system from 3G, which is phasing out, to 4G.
- Automated door openers installed to main entrance and accessible restroom

Plumbing and Sewer

- The Flush mate part of the commode in the women's restroom repaired

Other

- Installation of Automatic External Defibrillator, and CPR Trailing
- Repair of several parking lot lights
- The gutters, building exterior, and sidewalks have been pressure washed
- Crown Castle added a new carrier to the cell tower, increasing monthly revenue by \$300.00

II. GROUNDS; completed

Memorial Garden, Arbor, Labyrinth and Trails

- Trimming and new mulch at Memorial Garden
- Clear the Trails workday. Thanks to all that helped with this effort

Beds, Shrubs, Playground Areas, and Grass

- Removed playhouse and merry-go-round from playground (for safety purposes)
- Weeded and mulched playground
- The 2 trellises contributed last fall have been installed (outside the choir room), with good timing as the clematis plants have sprouted and reaching for places to climb.
- Sprayed the parking lot cracks, along the curb, sidewalk cracks, parts of the MG, parts of the gravel drive to the cell tower, around the HVAC units with Round Up 365.
- Monitored irrigation system according to seasons and weather
- Zone 1 irrigation line and Spectrum 5G line had been fixed
- Shrubbery (east side) trimmed
- Applied several pounds of fire ant bait to knock down the many mounds that had appeared seasonally
- Small, wooded patch near the entrance has been up limbed, and the growth under has been mowed down for better visibility

Median

- Added new plants to the median and watered the blueberry bushes and the fig trees.

Tree Removal

- Duke Energy cleared out two (2) dead trees

Future Potential Projects

Detention Ponds: Current rate is \$276 per month, and current company is increasing rate to \$300 per month starting. Looking to inquire of other vendors rates

Trees: Estimates for removal of trees to take down in the Memorial Garden

Interior Painting to address the following areas:

- The hallways from the office through to the playground.
- The gathering room – including the painting of the ceiling in this space.
- The toddler room, and the nursery room
- The kitchen
- The door frames

Floor work: to be taken on during February or summer months of 2023 as it is labor intensive

Other:

- Taking a proactive measure for future vendors; work with landscaping, grading, drainage, mowing
- Harris Boulevard deceleration lane
 - Island divider sign at entrance has been knocked over, needs to be re-installed securely
- Would like to submit to the church a list of tasks that can be addressed without Building and Grounds supervision / no specialty skills required

Building and Grounds submitted a survey whose purpose was to engage Consistory in the prioritization of various projects to be done for the church. The voting outcome was as such:

- | | |
|--------------------------------|---------|
| • Replace insulation | 6 votes |
| • Address exterior drainage | 6 votes |
| • Paint rooms in need of paint | 4 votes |
| • Repair drop ceiling bars | 4 votes |
| • Refinish Chancel floor | 3 votes |
| • Recover chairs | 3 votes |
| • Add awning to entrance | 3 votes |

A single vote was cast for each of these items listed below:

- Deceleration lane
- Clean and seal MG brick
- Replace tile floors
- Polish tile floors
- Repair/Install water fountain
- Shelves in choir room
- Covers for playground

Respectfully submitted,
Terrence Hayes

Communications Team Report

The communications team consists of Dom Ciciollo, Keith Dennis, Laura Hankins, Dawn Simmons, and Kathi Smith. Pastor Cheri is an ex officio member. Other church members, particularly Brian Hankins, lend expertise as needed. Holy Covenant has had a busy year filled with transitions and the work of the committee reflects this. Our decisions are made by consensus. Laura Hankins is our consistory liaison. Special thanks to Dom Ciciollo for his leadership and many contributions to this team.

There's overlap between communication and other ministry teams, especially in regards to making the live stream happen. After making slides for most of the last three years, Lisa Cloninger has passed the baton to Keith Dennis. Brian Hankins faithfully runs the livestream, incorporating slides and videos into the service. Henry Hankins and Lex Decker provide backup in his absence. During the service itself, Laura Hankins, Keith Dennis, or Henry Hankins advance the slides. Every service video is edited after worship and posted on the Holy Covenant website.



In the past year the team has updated the church website, and purchased new roadside banners. As these banners are now badly worn, we recommend that new banners be purchased. We also bought materials for Pride events and general outreach. Dom Ciciollo, Keith & Cheri Dennis, Debbie Davis and other members of missions and justice attended Pride events in Charlotte and Union County.

Communication, both between church members and with greater community, is essential for the continued growth and vitality of our congregation. To that end, we will continue to update our web site and explore other uses of social media such as Instagram to increase our outreach. Brian Hankins is currently negotiating with a vendor to upgrade the internet connections in our larger conference room and purchase a Meeting Owl Pro. This should greatly improve our experience with hybrid meetings and classes. This project is funded by an outside grant so it is not in our 2022 budget.



As we look forward to 2023 and calling a settled pastor, we need to remain mindful of using best practices to communicate with both our internal and external communities. We have regular members and attendees who are supporters of our congregation but rarely if ever attend in person events. Investing in technology to support better hybrid meetings and live-streamed worship can only increase our outreach. We also recommend that the team use search engine optimization (SEO) techniques to help visitors find us more easily.

We are grateful for the opportunity to serve Holy Covenant UCC and trust that the future holds good things for us all. We will continue to use our talents to spread the good news.

Respectfully submitted,
Laura Hankins

Endowment Team Report

In 2022, the Endowment Team welcomed two new members — Anne Hayes and Carl Johnson — who bring valuable financial acumen and fundraising skills to our team’s efforts. Anne & Carl succeed Patti Key and Phil Kaveler, who both moved away from Charlotte. As of this late October report, the team has distributed grants at a lower level than previous years, holding back a bit to see what needs arise in the continually evolving face of the pandemic and its consequences. The grants Holy Covenant has made align with the team and church goals to address issues of race and justice in our community.

2022 GRANTS (see brief descriptions, below)

- **To date, Holy Covenant UCC (HC) provided grants totaling \$35,000 —**
 - JailBail to support bail funding (“reusable” as defendants appear in court) \$10,000
 - DreamKey Partners to help people facing eviction remain in their homes \$10,000
 - Hope Haven for the “proof of concept” phase of a program to create and deliver workshops to help front-line workers work with people in crisis \$15,000

ENDOWMENT FUNDS

- As of October 23, the endowment held funds of **\$1,297,130** in Fidelity Investments’ Fidelity Balanced Fund (FBALX), which maintains target allocation ranges of 50-70% equities/stock and 30-50% fixed income/bonds (generally considered a 60/40 allocation).
- Over the five years since its initial investment, HC’s endowment has enjoyed investment gains of \$109,545 while distributing significant grants from the fund. The last year has been tough for investment markets, however, with the endowment seeing a year-over-year loss of 16.9% as of September 30. For comparison, the S&P 500 has seen a loss of 15.5%, with bond markets performing slightly better. While disappointing, such fluctuations are expected.
 - Unlike someone investing for retirement, the HC endowment is invested in perpetuity — excepting Jesus’ return, the church doesn’t have an “end time” when funds must be available. HC therefore maintains a policy of long-term investment that *holds* an appropriate portfolio through market fluctuations.
 - To ensure HC’s ability to maintain a robust grant-making program, the endowment policy bases annual distributions on a *rolling average balance over three years*. The “rolling average” accounts for fund balance fluctuations before calculating the standard 3-5% draw to use for grant funding each year.
- With a three-year (12 quarters) rolling average balance of **\$1,501,041** as of September 30, a standard 3-5% distribution rate (based on total return) continues to provide **\$45-75,000/year for distribution**.

New Grant Recipients in 2022

Hope Haven — Proof of Concept: \$15,000

With a grant of \$15,000 to Hope Haven, the members of Holy Covenant are investing in the development of a program that will provide training for people who work on the front lines serving marginalized populations in Charlotte and Mecklenburg County. The grant will fund the work of Rev. Barbara Thomas as she develops the infrastructure, processes and curriculum for the training program and continues to build relationships with the organizations and staff who would benefit from the training. This program will take advantage of Hope Haven’s separate work to renovate conference space on the campus where training could be conducted.

DreamKey Partners: \$10,000

An unexpected \$10,000 grant from Holy Covenant permitted DreamKey Partners (formerly Charlotte-Mecklenburg Housing Partnership) to house all of the 79 residents being evicted from the Southern Comfort Inn in west Charlotte the very next day. The motel, already a desperate option for shelter, was forced to close after being unable to pay its bills. HC's grant bought time for DreamKey Partners to find long-term housing options for all residents, ensuring no one was left facing life on the street.

Respectfully submitted,
Cheri Lovell

Capital Fund Team Report

Committee Members: Debbie Davis (Chair), Diane Neese, Kathi Smith

The HCUC Building (Capital) Fund serves to finance permanent structures and improvements for our church's property, the latest being the addition completed in 2009. Plans for the addition began in 2006, followed by the Building for Ministry Capital Campaign in 2007 with construction of the new wing being completed in 2009. Not in the original plans was the driveway paving work which was also completed in early 2009 with funds pledged/paid outside of the Capital Campaign.

Beginning in January 2013, we began making the loan payments entirely from Building Fund Campaign contributions rather than 50/50 from operating and capital as was done previously. This means that the entire loan payment (\$46,728/year total) is now paid from pledges specifically to the Building Fund as the operating fund no longer provides 50% of the payment. To that end, we are very pleased to report that to date, we have received pledges of \$20,585 from 17 pledgers for 2023.

A recurring theme of past Capital Fund reports has been our ability to continue to improve upon our loan terms as rates have declined, and in 2016 we were able to refinance to a lower loan rate. For background, our mortgage on the addition closed in 2009 for \$825,000 which included indebtedness of \$168,000 remaining from the acquisition of the land and construction loan for the main church building years ago. Our mortgage rate was 6 7/8% on a 30-year amortization which equated to a loan payment of \$5,167/month. The loan had a 5-year balloon maturing on June 1, 2014. In August 2011, we were able to take advantage of then historically low mortgage rates, and lock in a longer term while retaining the flexibility to make additional principal paydowns, via a \$650,000 loan with BB&T, our local bank which manages our church checking and savings accounts. This loan refinanced all of our existing debt at a fixed rate of 5.75% for a 10-year term on a 20-year amortization, equating to payments of \$4,563.54/month.

In December 2012, as rates continued to trend downward, we were able to lock in an even lower rate of 4.75% and a monthly payment of \$3,920.10, while the maturity date remained unchanged at September 10, 2021. The charge for this rate change was only \$3,500, which was able to be recouped in lower interest costs in less than a year. The loan had a moderate prepayment penalty until August 2016, but once this was no longer applicable, we again took the opportunity to review the loan terms. Given that rates were still near historical lows, but seemingly beginning to trend upward the past few years, starting in late 2016, we explored the

possibility of establishing new loan terms with the desire to obtain a fully amortizing loan if possible (meaning that when the loan matures, it would be paid in full rather than having a “balloon” payment due).

We were able to successfully obtain a \$376,504.14, 10 year, fully amortizing loan at a rate of 4.39% that matures on May 25, 2027 (current balance is \$180,617). As a result of the lower rate, even though the loan will be paid off sooner than the prior loan, our monthly payment actually went down slightly to \$3,894. In April of 2020, we were able to negotiate a loan modification at the nominal cost of \$208 to lower our rate to 3.89 % on our existing loan due to be paid off on May 25, 2027. We are applying our savings of \$144.75 each month, towards our principle amount due.

God has truly blessed our church with many generous members and friends. Thanks to all who can continue to contribute to our Building Fund to help our church pay down this debt which was incurred when we expanded our building facilities. Each pledge made to the Capital Fund allows our church to move closer to becoming debt free, which will free up almost \$47,000/year in required debt repayment. Just think of all the ways these funds will be lovingly be put to use to further our church’s mission, ministry and outreach programs!

Respectfully submitted,
Debbie Davis, Capital Team Chair

Budget & Finance Report

It is a pleasure to work with such a great team. Debbie Davis, Cheri Dennis, Jim Hong, Jeff Hughes, Tom Magraw, Dawn Schmitz, Kathi Smith, and Lisa Cloninger – when she can join us – bring a variety of skills and thoughts to the table and all focus on being good financial stewards for Holy Covenant. Despite the challenges of starting back to in-person worship slowly and not having a settled pastor yet, thanks to the generosity of the members and friends of Holy Covenant it has been a good year financially.

- In 2022, we benefited from the contractual 15% increase in annual tower income.
- With a settled pastor not in place our salary expenses were considerably below budget.
- Dawn and the entire staff continued to do a great job with expense management of the office and the building.
- We started the year January 1 with a balance above the target threshold.
- Due to generous giving and the other items noted we did not need to use the \$19,500 set aside for shortfalls this year from the 2019 budget and PPP funds. These funds are in our 2023 spending plan.
- Funds were available for Consistory to approve additional dollars for mission and justice efforts like sandwich and diaper ministries and the refurbishment of our handbells.

Respectfully submitted,
Martha Bomely

Pledge Recap 2014-2023

Debbie Davis

HOLY COVENANT UNITED CHURCH OF CHRIST							
as of 11/7/2022 for 2023							
PLEDGE RECAP--2014 THRU 2023							
General Fund Pledges				Building Fund Pledges			
	Total Amount	#	Avg.	Total Amount	#	Avg.	
2023	\$ 141,306	50	\$ 2,898	\$ 33,945	28	\$ 1,212	
2022	\$ 146,924	53	\$ 2,772	\$ 39,610	35	\$ 1,132	
2021	\$ 148,682	56	\$ 2,655	\$ 39,270	29	\$ 1,354	
2020	\$ 157,039	58	\$ 2,708	\$ 45,172	34	\$ 1,329	
2019	\$ 188,960	67	\$ 2,820	\$ 50,050	30	\$ 1,668	
2018	\$ 195,180	71	\$ 2,749	\$ 55,070	39	\$ 1,412	
2017	\$ 190,280	67	\$ 2,840	\$ 49,350	30	\$ 1,645	
2016	\$ 179,250	65	\$ 2,758	\$ 54,554	33	\$ 1,653	
2015	\$ 165,023	63	\$ 2,619	\$ 54,554	35	\$ 1,559	
2014	\$ 167,154	61	\$ 2,740	\$ 52,694	34	\$ 1,550	

2023 Proposed Budget Summary

Martha Bomely

HOLY COVENANT UNITED CHURCH OF CHRIST	
2023 PROPOSED BUDGET	
	2023 PROPOSED BUDGET
GENERAL/OPERATING FUND:	
INCOME:	
1 Identified Giving	171,500
2 Loose Cash	1,000
3 2020 General Funds Reserve	19,500
4 Total General Fund Giving	192,000
5 Tower Income	75,137
6 Rental Income & Other Miscellaneous	1,200
7 Tax Rebate Income	2,000
8 Total Undesignated GF Income	78,337
9 Designated Funds Received:	
10 Michael Brooks Scholarship	2,000
11 Sandwich Ministry	-
12 Special Offerings - Direct to General Fund	3,500
13 Total Designated Funds Received	5,500
14 TOTAL GEN/OPERATING INCOME	275,837
15 EXPENSE:	
16 Worship	27,373
17 Christian Ed & Development	9,108
18 Inclusion and Outreach	3,400
19 Mission and Justice	15,700
20 Buildings and Grounds	50,231
21 Administration	170,025
22 Administration Interim	-
23 TOTAL GEN/OPERATING EXPENSE	275,837
24 NET GAIN(LOSS) TOTAL GEN/OP FD	(0)

2023 Proposed Budget Detail

Martha Bomely

Operating Account		September YTD	Total	2023
		2022 Annualized	2023 Plan	Notes
1	H104100 · Operating Income-General Fund			
2	H104101 · Identified Giving	145,700	171,500	
3	H104102 · Loose Offering	700	1,000	
4	H104104 · Tower Income	63,913	75,137	Reflects 15% increase in 2022 plus new Dish carrier
5	H104105 · Pastoral Search Revenue	3,584	0	
6	H104110 · Rental Income	800	1,200	2 College \$600/wk
7	H104115 · Tax Rebate Income	0	2,000	
8	H104120 · Operating Account-Other	2,105	0	In/Out
9	H105010 · PPP Loan Grant	0		
10	H105011 · 2020 General Fund Reserves	0	19,500	
11	H104100 · Operating Income-General Fund - Other	(3,000)	0	Mission & Justice Approved Spending
12	Total H104100 · Operating Income-General Fund	213,803	270,337	
13	H104600 · Special Funds Income			
14	H104630 · Special Funds Direct to General	4,537	3,500	
15	H104640 · Michael G. Brook Scholarship	1,029	2,000	In/Out
16	H104699 · Designated			
17	H105075 · Missions & Justice Income	587	0	
18	H105076 · Diaper Distrib Min (In/Out)	3,071	0	
19	H105077 · Community Garden Income	400	0	
20	H105078 · Migrant Ministry Revenue	2,237	0	
21	H105107 · Sandwich Ministry Income	2,057	0	
22	H105108 · LGBTQ Ministries	1,492	0	
23	Total H104699 · Designated	9,844	0	In/Out
24	Total H104600 · Special Funds Income	15,410	5,500	
25	Total Income	229,213	275,837	
26				
27	A210000 · Worship			
28	H206100 · Special Worship Events	0	300	
29	H206500 · Music Program	5,132	1,600	Handbells in 2022
30	H208000 · Worship Supply/Aesthetics	1,135	900	Banners in 2022
31	H208010 · Audio/Video/Media	1,317	1,500	
32	H208200 · Accompanist (Perm) - Salary	0	0	
33	H208205 · Accompanist (Sub)	967	900	
34	H208210 · Choral Director -Salary	0	0	
35	H208240 · Director of Music - Salary	21,967	22,173	+3%
36	A210001 · Worship - Other (PPP)	0	0	
37	Total A210001 · Worship	30,517	27,373	
38	A300000 · Christian Education & Dev			
39	H306100 · Youth Events	0	100	
40	H306150 · Youth Church Camp Scholar Exp	0	0	
41	H306175 · Michael G. Brooks Schol Expense	1,372	2,000	
42	H306300 · Christian Ed Programming	655	724	New Materials
43	H308000 · Child Care Payroll	5,089	6,084	+3%
44	H308001 · Child Care Supplies	28	200	
45	Total A300000 · Christian Education & Dev	7,144	9,108	

Continued

46	A400000 · Inclusion and Outreach			
47	H401000 · Member Development	333	500	
48	H401010 · Church Retreat	0	0	
49	H406100 · Inreach Outreach-Hospitality	230	800	
50	H406101 · Sandwich Ministry HCUC	1,965	500	
51	H408503 · Advertising and Marketing	427	1,500	Increased Advertising
52	H408504 · Stewardship Expenses	67	100	
53	Total A400000 · Inclusion and Outreach	3,022	3,400	
54	A500000 · Mission and Justice			
55	H501010 · OCWM	6,184	6,050	
56	H501020 · Other Contributions (NIN,OGHS.)	4,993	3,500	
57	H501040 · Community Outreach	2,410	4,200	Included RITI \$
58	H501041 · LGBTQ Ministries	1,819	1,200	
59	H501075 · Missions & Justice Expenses	5,055	0	Possible Funds Avail to Request from Consistory
60	H501076 · Diaper Distrib Ministries Exp	2,264	0	Possible Funds Avail to Request from Consistory
61	H501080 · Mecklenburg Ministries	0	300	
62	H501090 · RITI	0	0	Moved to Community Outreach
63	H501095 · Western NC Association	406	450	
64	Total A500000 · Mission and Justice	23,131	15,700	
65	A600000 · Buildings and Grounds			
66	H609100 · Utilities and recurring			
67	H609101 · Electricity	7,573	9,600	
68	H609102 · Telephone and Internet	1,973	1,800	
69	H609103 · Security	761	900	
70	H609104 · Water	6,677	4,400	
71	H609200 · Janitorial	6,267	6,600	
72	H609301 · Ins Exp-Liability & Structure	11,581	11,581	
73	Total H609100 · Utilities and recurring	34,833	34,881	
74	H609250 · Maintenance			
75	H608002 · Paper Supplies	613	900	
76	H608273 · Lawn Mowing	4,480	3,500	
77	H608300 · Dry Pond Maintenance	3,067	3,000	
78	H609251 · Building Maintenance	854	1,400	
79	H609252 · Grounds Maintenance	902	900	
80	H609253 · Sewer Maint & Repair	192	1,000	
81	H609254 · HVAC Maint & Repair	1,281	1,300	
82	H609257 · Waste Management	1,340	1,500	
83	H609259 · Maintenance Reserve	0	0	
84	H609270 · Pest Control	1,200	1,100	
85	H609275 · Maintenance Handyperson	0	750	
86	Total H609250 · Maintenance	13,929	15,350	
87	H609450 · Accessibility & Safety	993	0	
88	Total A600000 · Buildings and Grounds	49,755	50,231	

Continued

89	A805000 - PPP Expenses			
90	A800010 - Administration - Interim			
91	H207000 - Pulpit Supply and Honorarium	5,333	1,200	
92	H208300 - Pastoral Search Exp	775	0	
93	H208400 - PS Interview Travel & Lodging	2,880	0	
94	H304100 - Interim Pastor Salary	0	0	
95	H304150 - Interim Pastor Housing	0	0	
96	H305231 - Assoc Pastor Salary	32,411	0	
97	H305232 - Assoc Pastor Housing	30,000	0	
98	H305233 - Associate Pastor -Travel/Other	329	0	
99	H308400 - Pastoral Reimbursement	1,402	4,300	
100	Total A800010 - Administration - Interim	73,131	5,500	
101	H805000 - Admin Payroll Expenses			
102	H805001 - Payroll Processing	137	200	
103	H805110 - Healthcare Insurance Expense	0	10,236	UCC Published Rate
104	H805111 - Minister Add'l Life & Dis Ins	0	0	
105	Minister Dental & Eye Insurance	0	610	
106	H805112 - Minister Life & Disability Ins	0	1,107	
107	H805221 - Minister Salary	0	78,261	11+ Experience Expense
108	H805223 - Minister Pension	0	10,957	11+ Experience Expense
109	H805226 - Exec Assistant Payroll	42,300	42,548	+3 % Increase
110	H805227 - Exec Asst Stipend Salary	3,000	3,000	
111	H805228 - Exec Asst Overtime	780	1,000	
112	H805300 - Employer's FICA	5,173	5,406	Payroll X 7.65%
113	H805350 - Ins Exp-Workers Comp	0	1,500	Paid 2022 in October 2021
114	H806000 - Essential Worker Comp	134	0	
115	Total H805000 - Admin Payroll Expenses	51,524	154,825	
116	H808000 - Admin Supplies & Operations			
117	H807000 - Bank Service Charges	1,019	1,000	
118	H808051 - Copier Supplies	1,360	1,400	
119	H808080 - Postage	624	700	
120	H808081 - Church & Office Supply	1,301	1,300	
121	H808161 - Copier Lease Expense	2,116	2,100	
122	H808301 - Continuing Ed-Staff	560	1,400	
123	H808450 - Conference Expense	0	600	
124	H808502 - Computer Expense-software	0	200	
125	H808503 - Social Media	974	1,000	
126	H808000 - Admin Supplies & Operations	0	0	
127	Total H808000 - Admin Supplies & Operations	7,954	9,700	
128	Total A800001 - Administration	132,610	170,025	
129	Total A805000 - PPP Expenses	0	#REF!	
130	H959999 - Void check	0	0	
131	Total Expense	246,179	275,837	
132	Net Income	(16,966)	(0)	



