

**MINUTES
OF A REGULAR MEETING OF
THE VESTRY OF
EPISCOPAL CHURCH OF ST. JOHN THE BAPTIST, APTOS, CALIFORNIA**
a California nonprofit religious corporation

May 12, 2020

A regular meeting of the Vestry of Episcopal Church of St. John the Baptist, Aptos, California, a California nonprofit religious corporation (the “Parish”), was held via Zoom conference at 7:00 p.m. on Tuesday, May 12, 2020, pursuant to notice duly given.

ATTENDANCE

| Vestry Members ⁽¹⁾ | Present | Absent | Others Present |
|---------------------------------------|---------|--------|--|
| The Rev. Tracy Wells Miller, Rector | X | | Nelson Crandall, Treasurer and Clerk of the Vestry |
| Annie Henry (2022) | X | | Anne Baker, parishioner |
| Barbara Raney (2020) | X | | Jon Showalter, parishioner |
| Bart Coddington, Senior Warden (2021) | X | | The Rev. Joan Anderson, Deacon |
| Benjamin Davis (2021) | X | | Diane Scofield, Helpful Shop Manager |
| Cara Lucchesi (2022) | X | | |
| Chris Rowen (2022) | X | | |
| Francis Bayaca (2021) | X | | |
| Karen Greenleaf (2020) | X | | |
| Michael Hudson (2021) | X | | |
| Nancy Shephard (2022) | X | | |
| Patricia McGowan (2020) | X | | |
| Sally Lewis (2020) | X | | |

The order of presentation of the items below does not necessarily reflect the order of discussion of the items at the meeting.

OPENING

Mother Tracy called the meeting to order at 7:06 p.m. For a devotional exercise, the members performed a Lectio Divina on Luke 24:13-35.

¹ Term ends in December in the year indicated.

HEARING LOOP INSTALLATION

Architecture & Space Use Committee Chair Jon Showalter gave a presentation on installing a hearing loop in the Parish Hall. The hearing loop will send the signal from the microphones in the Parish Hall (including Mother Tracy's headset) directly to any hearing aid equipped with a T-coil. The T-coil will ignore coughs and other sounds between the loudspeaker and the hearing aid. Most modern hearing aids are now equipped with a T-coil that must be activated by flipping a switch. Users will need to switch the hearing aid back to microphone mode when they leave the Parish Hall. Upon motion duly made, seconded, and carried, the following resolution was unanimously adopted:

RESOLVED, that Jon Showalter, Chair of the Architecture & Space Use Committee, is authorized to accept the proposal of Cooper Loop Assistive Listening Devices to install a hearing loop in the Parish Hall at an estimated cost of \$3,374.71, provided that a donor funds the cost of the installation.

COMPLETION OF THE CAMPUS

Mother Tracy opened a discussion of *Architectural Implications of St. John's Mission and Hopes* recently approved by the Architecture & Space Use Committee, a copy of which is attached as Exhibit A. The Vestry discussed the issues the Vestry will need to address should the Vestry decide to announce a capital campaign to complete the original vision of a campus, which would include additional classrooms and office space and a sanctuary. Among the issues discussed were:

- whether any such campaign should wait until after a vaccine for COVID-19 is widely available
- whether to include a rectory in the Parish's plans to ensure that the Parish will continue to be attractive to future clergy in light of the increase cost of housing
- the importance of providing for maintenance (which the Parish has not done well in recent years), which will increase with additional buildings
- methods for communicating any plan to the congregation and soliciting their feedback and buy-in
- the cost and use of fund-raising consultants

Cara Lucchesi left the meeting near the conclusion of this discussion. No decisions were made.

THREE-YEAR REVIEW OF MOTHER TRACY'S CALL LETTER

Mother Tracy announced that it is time to review her letter of agreement per the Parish bylaws. The admin team will be working on it.

REFINISHING FRONT DOORS AND BARN DOORS

Junior Warden Benjamin Davis reported that Rowland and Pat Rebele had volunteered to fund a project to refinish the badly weathered front doors and the sliding barn doors, and that the work would be done by Michael Daugherty. There was a discussion of refinishing other doors. The consensus was that metal-clad exterior doors on the Parish Hall do not require refinishing and that

other doors (mostly on campus out buildings) should be allowed to weather in place. Upon motion duly made, seconded, and carried, the following resolution was unanimously adopted:

RESOLVED, that the officers of the Parish are authorized to thankfully accept the gift of Rowland and Pat Rebele to fund the refinishing of the front doors and the sliding barn doors of the Parish Hall and to engage Michael Daugherty to perform such work.

TREASURER'S REPORT

Treasurer Nelson Crandall updated the written report he had distributed earlier, a copy of which is attached as Exhibit B.

Nelson reported that Santa Cruz County Bank funded the Parish's Payroll Protection Program \$38,000 loan on May 6, even though the loan documents were marked as "pending review" in the bank's on-line borrower platform. Nelson reported that he is applying for on-line view-only access to the Parish's accounts at the bank.

Nelson also reported that the April financial statements had failed to include the proceeds from a stock donation in satisfaction of a pledge that occurred in April. Had the payment been included, year-to-date pledges would be on budget.

REPORT OUT

The consensus of the Vestry was that the following items should be reported to the Parish on Realm:

- The \$38,000 PPP loan was funded
- The Vestry discussed the *Architectural Implications of St. John's Mission and Hopes* recently approved by the Architecture & Space Use Committee
- The Vestry approved a gift to have a hearing loop installed
- The Vestry approved a gift to refinish the front and barn doors of the Parish Hall

EVALUATION

Each participant in the meeting gave a one- or two-word evaluation of the meeting. The words used included exciting, productive, thoughtful, consideration, lot to think about.

ADJOURNMENT

Mother Tracy led a closing prayer. The meeting was adjourned at 9:06 p.m.

Respectfully submitted,



Nelson Crandall, Clerk of the Vestry

EXHIBIT A

Architectural Implications of St. John's Mission and Hopes

Architecture and Space Use Committee

January - May 2020

Worship Area

The worship area should balance the symbols of our faith: congregation, font, ambo (pulpit/lectern) and altar, and capture the essence of our gathering. Three themes have emerged from the discussion of our hopes:

1. the space welcomes everyone into the circle of community
2. the space helps everyone to hear, see and participate in the celebration
3. the space stimulates contemplation both of our religious traditions and the spiritual journey ahead.

The entire building project is based on our community's belief in responsible growth. The worship space should both accommodate larger gatherings and also provide space for quiet reflection and individual contemplation.

- Accommodate 250, but feel filled with only 100
- See each other in worship
- Receive communion in one circle
- See and hear clearly
- Internally visible from entry/outside so people can see into the Worship space before they open the door.
- Can see out too, natural light is important
- Need interactive space for choir and organ, the organist and choir close enough that they can easily coordinate.
- Multiple instrumentation supported, but not dedicated
- Hand bell performance space requires at least 24 feet of linear table space (non dedicated), and storage for the bell cases, tables, pads and music.
- Light, open, inviting
- Welcoming for all ages
- Flexible
- Adjustable room with sound barrier from which you can see and hear (crying room for babies)
- Reflecting our Anglican tradition:
- Can celebrate sacraments
- Most important symbols:
 - Gathered community
 - Altar
 - Ambo (lectern/pulpit)
 - Font (John the Baptist)
- Pleasurable
- Surprising (the What!?! Factor)
- Adventurous (the WOW factor)
- Meditation area/ chapel desirable (this would only require installing the partitions on either side of the current altar space.)
- Area for healing in Sunday service
- Sacristy: Current space crowded for number of people working simultaneously. More space needed for rolling carts where they assemble all the materials, dishes, candles, linens, and elements to dress the worship space. They would like a more counter space, or a work table. (Maybe flower arranging could be moved elsewhere)
- Facilitate outdoor services
- Integrate hanging art facilities for the Advent wreath, banners, paintings, stage lights, decorative lights, etc.

Education

Formal and informal education is important for parish members of all ages. The spaces should be attractive, inviting, and appropriate for multiple uses by toddlers, young children, teens, and adults. Activities will range from formal study and discussion, to music and sports. We have received a zoning permit to host a 50 child school, but we have no immediate plans to implement one.

- Attractive and inviting
- Youth room (sound proof, with refrigerator)
- Adult education space for varying sized groups from 5 to 80. The spaces should be wired for electronic presentations.
- Nursery space in proximity to the entrance so it is easy for newcomers to find, yet separated enough from worship space so it isn't distracting. It should have an indoor toilet and sink, and potential for a video monitoring system and pager for communication between Nursery staff and parents.
- Child education including a plan for toys, storage, outlets above little finger height, small chairs and tables
- Outdoor education facilities preserving the basketball and volleyball court space
- Music education and practice (choir/rehearsal) There must be a soundproof space in addition to the sanctuary where the choir can rehearse when worship or other activities are in session.
- Library
- Potential for a school

Outreach

We need space to serve diverse needs of the community around us, especially children, AA groups and the homeless. We also want to share the life of our parish by welcoming the community with weekend workshops, forum and art space, and banquet possibilities. These will be enhanced with clear communication and support facilities such as kitchen, volunteer offices and presentation support.

- Latchkey children/After school children/tutoring/music lessons
- Food/clothes donation collection near the Sanctuary entry, out of the pathway but easy to carry to altar for blessing
- AA, and similar regular meetings (including lockable storage)
- Concerts/ art exhibits
- Community banquet area for 150 (seated), or 300 (standing)
- Weekend workshops (showers)
- Forum for community education
- Clear signage with capacity for advertising current events
- High visibility
- Multimedia capability with consideration of future technologies
- Fenced outdoor play area near the children's room(s)
- Sheltering homeless including kitchen for cooking group meals, bathing/shower/dressing space, storage for bedding, towels, and non perishable breakfast/snack/food, use of WiFi. Washer and dryer for towels and bedding.
- Establish a location for a demonstration tiny home
- Helpful Shop reserved space/area for collection of donations, seasonal decorations, on church campus commitment of 10' x10' maximum general storage
- Accommodate youth group social events (age 11 to 18) for community youth events
- Potential disaster relief shelter/resource hub

Fellowship

We want an open and inviting space to gather and serve new and old members of the parish, including indoor fellowship area for 300 people, and an adjoining outdoor courtyard or patio. We also need comfortable spaces for smaller meetings (12-30 people). All this should be served by a good kitchen, rest rooms and storage. All fellowship spaces must allow for/invite/encourage multiple uses.

- Open and inviting
- Indoor fellowship area for 300 people
- Great kitchen to serve 300 people - adjacent to courtyard for outdoor dining, including a commercial dishwasher
- Youth room (with refrigerator) plus rugged outdoor area, sturdy play equipment, basketball, etc.
- Inviting and accessible nursery
- Library/conference space
- Parlor/meeting room for 12-30
- Space for community use
- Rest rooms/showers/laundry
- Attractive games, BBQ pit, labyrinth, patio
- Storage space for all of the above

Entry/Access/General

We want a church that invites access, visible from a distance and obviously hospitable from the entry area. The overall feeling should be open, well-lit, airy and playful, reflecting our local environment. It should guide all types of people, from children to elders, to the spaces and activities they seek. It should be built for active use, with ample and sturdy work and play areas.

- Wood/concrete structure
- Tower desirable - visible from freeway
- Architecturally obvious - from parking lot, direct people to church, fellowship, child care, etc. The design of the architecture can make an entrance inviting. The building should speak for itself.
- Very handicapped and elder accessible
- Modular - some built later if necessary, but according to good overall master plan
- Hospitality obvious and integral
- Low maintenance
- Sturdy and safe for much active use
- Dedicated work areas – secure sacristy / modesty preserving vesting space
- Playful details
- Well-lighted/open airy
- Accessible meditative area in an unlocked but sheltered space
- Entry - inviting/mystery/playful
- Physically connected (physically and psychologically) with ocean, beach, surf
- Space for landscape details - permanent
- Sensitive to environment

Administration

The new center should include a variety of space for all the regular activities of the parish, including adequate offices and small meeting rooms. The rooms make it easier to work on important projects (music, altar guild, publications, bookkeeping). Ample and innovative storage is required for all parish activities.

- Place for altar guild to iron/clean/do flowers
- Separate Rector's office/counseling office
- Assistant Rector's office
- Small meeting room. Seating for 4 to 8.
- Publication workroom
- Reception area
- Musician office (choir and instruments)
- Administrative Assistant space
- Desirable to have extra office spaces
- Building maintenance/janitor's room
- Bookkeeper space. Must be lockable.
- Enough space for volunteers to work
- Storage space for all above

EXHIBIT B



TREASURER'S REPORT

May 8, 2020

PPP Loan Still Pending. Santa Cruz County Bank has approved a \$38,000 Payroll Protection Program loan for the Parish. We uploaded signed loan documents to the bank's borrower's portal on Monday, May 3. As of this writing, the bank has not had an opportunity to review the documents and fund the loan.

Investment Corpus Down 20%. As of March 31, 2020, the Parish has just over \$2.7 million on account with State Street Global Advisors, 98% of which consists of the endowment for the Aptos Community Youth Program. SSGA's performance has been as follows:

| Period | Gain (Loss) |
|--------------------------|-------------|
| Quarter ended March 31 | (19.54%) |
| 12 months ended March 31 | (12.62%) |
| Since inception | (6.21%) |

These results have underperformed SSGA's custom benchmark for our account (i.e., the performance goal SSGA has set for itself) by about 10%.²

No Written Accounting Procedures. One of my goals as Treasurer is to document the Parish's accounting principles, none of which are currently in writing. Because the principles are not in writing, we do not know the extent to which the principles are applied consistently. Learning the

² SSGA's custom benchmark The Custom Benchmark is comprised of: 03/01/2018-02/01/2019 5% Barclays US Agg Credit - Corp - High Yield - 2% IC, 15% BCAP AGG, 5% JP Morgan EMBI Global Diversified (Local), 5% Barclays US TIPS, 4% S&P EPAC SmallCap - Net Return, 5% Bloomberg Roll Select Commodity Index (USD) (TOT), 2.5% DJ US Select REIT Index, 8% MSCI EMF (Emerging Markets) - Net Return, 15% MSCI EAFE -Net Return, 23% S & P 500 Tot R, 5% S&P Mid Cap 400, 5% Russell 2000, 2.5% Dow Jones Global ex US Select REITS Index - Net 02/01/2019-Present 5% Bloomberg Barclays U.S. High Yld Cust BB/B ex 144A, 15% BCAP AGG, 5% JP Morgan EMBI Global Diversified (Local), 5% Barclays US TIPS, 4% S&P EPAC SmallCap - Net Return, 5% Bloomberg Roll Select Commodity Index (USD) (TOT), 2.5% DJ US Select REIT Index, 8% MSCI EMF (Emerging Markets) - Net Return, 15% MSCI EAFE - Net Return, 23% S & P 500 Tot R, 5% S&P Mid Cap 400, 5% Russell 2000, 2.5% Dow Jones Global ex US Select REITS Index - Net.

principles that the Parish is presently using will require some face-to-face interaction with the Parish bookkeeper, which is not presently feasible in light of the COVID-19 shelter-in-place order.

Statement of Financial Position. The Statement of Financial Position is the nonprofit equivalent of a balance sheet. The change in the value of the moneys on account with SSGA has not been updated since December 31, 2019.

Statement of Activity. The Statement of Activity is the nonprofit equivalent of a profit and loss statement.

Lagging Pledges. Total pledges received for the first four months of 2020 are 54% of what they were at this time in 2019 and 80% of budget. (Budgeted pledges for 2020 were 96.4% of the budget total for 2019.)

Closed Helpful Shop. Helpful Shop sales and donations for the first three months of 2020 were up 5% over the same period in 2019. Because of the shelter-in-place order, sales and donations for the first four months of 2020 are down 26% compared to the same period in 2019.

Staff Salaries. Staff compensation is up significantly from 2019, primarily due to the 2019 mid-year hiring of a Director of the Community Youth Program and Director of Music Ministries and January's hiring of a Director of Children and Family Ministries. The Parish has committed to continuing to support its staff even though the shelter-in-place order has reduced the ability of some of the staff to work.

No Savings from Reduced Operations. Utility expense for April was down \$258 from 2019. Cash received as facility rental income in April was \$450 less than in 2019.

Bottom Line. The Parish's operating deficit for the first four months of 2020 is \$52,754 compared to an operating surplus for the same period in 2019 of \$50,726.00 (a \$103,480 difference).

Respectfully submitted,

Nelson Crandall
Treasurer