



**Vestry Meeting Minutes - Corrected**  
August 16, 2021 6:30 pm - via Zoom

**Present:** Vestry Members: Reverend Krista Fregoso, Lisa Bell Stewart, Jessica Beerbaum, Susan Burpee, Tom Chaffee, Melanie Corry, Marianne Johnson, Ned Soares, Jim Ward, Jerry Williams and Mary-Jane Wood. Also present were Jennifer Machado, CFO; and Ronnie Marty, Vestry Clerk.

Guests: Jim Bell; Jen Crompton, Seminarian; Eileen Mitchell, Chief of Staff; Deborah Webster, and Laura Williams

Excused:

TOPIC	DISCUSSION	OUTCOME
Meeting	Lisa Bell Stewart, Senior Warden; opened the Meeting at 6:30 pm	
Quorum	Yes	
Prayer	Seminarian, Jen Crompton gave the opening prayer.	
<b>Old Business</b>		
Update on Audio/Visual Committee	Debra Webster and Laura Williams reported on revamping the A/V system. Their goal is to build a system that will provide for in Church and hybrid services for all of the different areas of the campus with movable speakers and video equipment. And includes upgrading our internet service. Nothing too complicated, but a system that we can add to as our demands change. They have three different companies that they will be working with to do a walk-thru of the Church campus and obtain bids to present to the Vestry.	Informational
Vestry Meeting Minutes	A motion was made to approve the July 19 <sup>th</sup> , 2021 minutes as submitted.	Moved: Susan Burpee Seconded: Ned Soares Abstain: Marianne Johnson Motion: Approved
Stewardship Campaign	Lisa asked for a volunteer from the Vestry to Chair the Stewardship Campaign. Receiving no volunteers, Jerry Williams suggested that we look beyond the Vestry, to past Vestry members. Jessica said she would help him. They will report back at the September meeting.	Informational

TOPIC	DISCUSSION	OUTCOME
<b>New Business</b>		
Jan Crompton, Seminarian	Reverend Krista asked for a motion that we affirm St. Paul's Associate Seminarian, Jen Crompton to continue her process as a candidate for Holy Orders.	Moved: Tom Chaffee Seconded: Lisa Bell Stewart Motion: Approved
TOPIC	REPORTS	OUTCOME
Rector's Report	Rev. Krista - Phase 2 Covid & Reopening Rev. Krista reported because the Delta variant is spreading so rapidly she is questioning continuing with "coffee hour". The Diocese recommends that we limit all social events to 30-40 minutes. It is a possibility that we are moving into another shutdown. To protect our parishioners, we need to consider taking a "step back" approach on our social events. After much discussion A motion was made to temporarily suspend the coffee hour held after the 8:30 am Church Service.	Moved: Jessica Beerbaum Seconded: Jim Ward Motion: Approved
Kick Off/ Regathering Event	Rev. Krista suggested that we hold off; step back, on our "Kick-Off" plans till we have a better idea of how fast and what effect the Delta variant is going to have.	Informational
Staff Planning for remainder of 2021 and 2022	The following topics were discussed: 1. Why should we think about future hiring now? 2. What roles are needed? What roles are no longer needed? 3. What is the timeline? 4. What help is needed? 5. Welcoming of new associate Rev. Lynne Sharp.	Informational
	* Rev. Krista responding said at this time with one Priest that we do not need three services.	
	* She continued, in the future we will need more crew, A property manager, someone who has been trained in that field.	
	* There are four applications for a musician. Interviews are being conducted and then the choir will meet them.	
	* Rev. Krista shared with us that this past her Mother-In-Law passed. She is in a state of grief and needs some time off. She asked the Vestry for the month of October off, so she can "re-center" herself and for her well-being to continue doing what she loves most.	

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Rector's Report Cont.	She has discussed this with Rev. Lynne and feels very confident that Rev. Lynn will be able to handle the Parish without her. A motion was made for Rev. Krista to take the month of October off with accrued paid-time off.	Moved: Jessica Beerbaum Seconded: Jim Ward Motion: Approved
	<b>A 3 Minute Break was taken</b>	
Financial reports (Note: See the attached Financial report)	Jennifer Machado presented the Financial Reports for the month of July 2021. A motion was made to approve the reports as presented.	Moved: Susan Burpee Seconded: Jerry Williams Motion: Approved
Parsonage Allowance	The parsonage allowance is the most important single tax break available to clergy. It was decided to defer this item to September's Vestry meeting.	Informational
Real Estate Committee	Tom Chaffee reporting for the Real Estate Committee -	Informational
	Trinity Center - Trinity Center told Tom that they want to expand their hours on campus. There will be more discussion on this topic to come. Other areas for future discussions are the smoking by Trinity staff, and St. Paul's Commons residents in "none smoking areas", and parking lot issues.	Informational
Noble Learning Academy	Noble Learning Academy (NLA) - Tom presented the Vestry members a "Term Sheet" for the proposed contract between St. Paul's and NLA (a copy is attached to these minutes). There followed a lengthy discussion of the terms. There were great ideas. During this discussion the Vestry wanted to make sure we were thinking through all the pros and cons. A motion was made to move forward and offer a lease agreement.	Moved: Jim Ward Seconded: Jerry Williams Motion: Approved
Comments	None	
Closing Prayer	Rev. Krista	
Closing	The meeting was adjourned at 9:39 pm	
Respectfully submitted,		
Ronnie Marty, Vestry Clerk		

**SUMMARY OF FINANCIAL RESULTS**

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Through July 2021 – operating fund

\$ 352,505 Inflow (from normal sources)

330,336 Outflow

**22,169 net before loan forgiveness**

\$ 48,200 add PPP loan forgiveness round 1

**\$ 70,369 NET**

**Results**

Finances for the first seven months of this year are looking good. Pledge and plate contributions continued to be strong. Facility fees are falling short of the budget, but costs are even lower than expected. This puts us in a good position as activity ramps up with the regathering and an associate is expected. Continued good news!

Expenses for the month remained rather low with very little discretionary expenditures. We are under budget on expenses due to personnel and property costs. We put the costs of the associate rector in the budget starting in April, but that person will start in September, the main driver for personnel costs being about \$41,000 below budget. Property costs are more than \$31,000 below budget as we have lower-than-planned maintenance and janitorial costs. Significantly, we have not yet spent the extra money budgeted for supplemental security.

There was low expense activity in formation, fellowship, and in most of the restricted funds.

Answers to some vestry questions about our accounting which arose after viewing the diocesan training on parish finances.

- Our accounting system is Quickbooks (QB). We switched from Church Window (CW) at the beginning of 2018 after years of challenges with that CW software and at the recommendation of our diocesan auditor. On key consideration is that it is much easier to find bookkeepers and potential finance officers who understand the much more widely-used Quickbooks. The video pointed out that restricted fund accounting in QB requires a workaround. We hired a consultant from another parish to implement that work-around. It seems to be working fine.
- We use a modified cash method rather than a stricter accrual method, in line with the recommendation in the training. This means that we expense most items when we pay them, so there is sometimes a delay in expenses. However, we know that getting the big things right is important to conveying accurate information to the vestry, so each month we check that the biggest expenses are either included as paid or accrued: diocesan assessment, two payroll periods, benefits costs, insurance costs. We also show an expense for a rector sabbatical accrual. This process helps ensure that delays in diocesan billings, for example, don't have our expense bouncing around more than necessary. Smaller expenses generally show up in the books when paid, usually quite close to the point when they were incurred.
- We do have an endowment fund. This shows up on the fund balance report as "Endowment Corpus \$209,212". The line above that on the same report shows the cumulative gains on that corpus. Those are broken down by category and are allowed to be spent on expenses that fall in the designated categories. Total there is \$280,466.
- Many of our funds are restricted by donors, especially many of the outreach funds. However, some were created at the request of the vestry for tracking purposes, such as the parish life fund and the concert fund.

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Others were restricted by the vestry to “hold on” to the money for a future (sometimes unknown) purpose – these include the Wave/Seren fund, the Rectory Residual fund, and the MSV (My Spanish Village) property fund.

- It would be great to simplify the accounting. **If you want the current simplified version, see my summary on the Word document and the one page Operating Fund Summary file.** We have so much detail because of an accumulation of requests to “please show xxx”. It is also much easier to report on specific issues when certain kinds of expenses have their own account rather than being lumped in with something else. If you see unnecessary complications, we can discuss solutions. Please make specific recommendations.
- We can also reorganize reports to group things to match the Vestry ministry groupings. To make that happen, please work with Jennifer to identify the specific expense lines that should be grouped. We can reorganize reports.
- A completely separate project is upgrading to different version of Quickbooks.

## FINANCE COMMITTEE MEETING NOTES

The St. Paul’s finance committee met by zoom on 8/12/2021. Attendees: Lisa Bell Stewart, Susan Burpee, Pete Smyth, Richard Kemink, Jennifer Machado

Discussed:

- July 2021 financials reviewed. See summary notes.
- AV team (Susan Burpee, Deborah Webster, Laura Williams) is working.
- Team getting 1944 ready for associate rector until 1944 is vacant and ready. Associate rector payroll, benefit, housing allowance, pension documents to be completed by Krista. We will need to file for house as parsonage status once associate moves in.
- Jennifer send housing allowance wording to Susan for vestry meeting.
- Discussion of Quickbooks version change with addition of time tracking for employees. Now on Desktop 2018 version. Proposed move to online Advanced version if we need more users. Richard will procure(\$160/year), and Jennifer will coordinate conversion, then refer to Lisa for time-tracking.
- Jennifer work with Lisa on reporting format changes. That is a separate project from the accounting system version change.
- Jennifer work with Lisa on identifying funds and possible uses.
- Filed for forgiveness of second round of Payroll Protection Funds. Amount is \$59,000. Will report status when updated.
- Next meeting on September 13 by zoom.

Notes submitted by Jennifer Machado

St. Paul's / Noble Learning Academy Term Sheet – 8/7/21

1. Term of Lease: Two years with option to extend for one year
  - a. Premises Leased (St. Paul's has the right to relocate in the event a space is unavailable):
  - b. Family Ministry Center – NLA's exclusive space
  - c. Livingston Conference Room: Monday through Friday 7 am to 5 pm
  - d. Choir Room/Garden Room: Monday through Friday 7 am to 5 pm
  - e. Parish Hall: Monday through Friday 11 am to 5 pm (includes use of patio between Parish Hall and chapel)
  - f. Patio outside of Family Ministry Center
  - g. Six staff parking spaces and 10 parent drop off spaces in parking lot
  - h. Use of kitchen in Parish Hall subject to advance notice.
  - i. Rent:
  - j. Year 1: \$4,800.00/month; annual rent: \$57,600
  - k. Year 2: \$5,040.00/month; annual rent: \$60,328.00
  - l. Year 3 (option): \$5,292/month; annual rent: \$63,504
2. Restrictions on Use of Premises
  - a. No use of the Premises on December 24, 25 and 26, Thursday before Easter, Friday before Easter, Saturday before Easter, Easter Sunday or Monday after Easter.
  - b. Parish Hall will be unavailable if there is a parish event approved and sanctioned by the Rector and/or Vestry
3. Use of Restrooms in the Parish Hall
  - a. NLA has the use of the restrooms in the Parish Hall. St. Paul's to use best attempt to restrict access of other adults. NLA to monitor use.
4. Janitorial
  - a. St. Paul's to provide janitorial services for the Premises once a week.
  - b. NLA to provide janitorial services for daily cleaning of the restrooms and classrooms as needed.
5. Storage
  - a. NLA storage limited to Family Ministry Center. No storage in Parish Hall or Livingston Conference Center. Some St. Paul's supplies to remain in Livingston Conference Center. No St. Paul's storage in Family Ministry Center.

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6. NLA Nonprofit Status

- a. Lease is contingent on NLA operating as a non-profit corporation

7. Utilities

- a. Utilities included in base rent except that NLA is responsible for its own internet. NLA to investigate internet coverage. St. Paul's makes no warranty in this regard.

8. Maintenance

- a. NLA responsible for maintenance costs associated with its use or damage caused by NLA.

9. Insurance Requirements

- a. NLA to obtain
  - i. Commercial General Liability Policy with limits of \$1 million aggregate/\$1 million occurrence
  - ii. Property insurance with limits equal to the replacement cost of NLA's alterations, improvements, furniture, and fixtures.
  - iii. Worker's compensation insurance in compliance with California law.
- b. NLA to name St. Paul's as an additional insured.

10. Tenant Improvements

- a. St. Paul's agrees to contribute x amount of dollars towards tenant improvements.
- b. Scope of tenant improvements to be agreed to and attached to the lease as an exhibit.
- c. Any improvements to the choir and garden rooms will not be completed until 2022.

11. Security Deposit

- a. To be decided by the Vestry

12. Guarantors

- a. Lease to be guaranteed by Mark and Cassondra Hull on behalf of NLA