VESTRY OF ST. JOHN THE EVANGELIST EPISCOPAL CHURCH

Monday, July 20, 2020

Members: Bette Ashcroft (membership), Bob Baumann (fellowship), Fred Berndt (music), Karen Chatt (formation), Lynn Hertz (senior warden), Mary Johnson (pastoral care), Jenny Koops (children, youth, family), Gabrielle Lawrence (at large), Bob Linehan (liturgy), Mark McInroy (at large), John Mulloy (property), Brad Smith (finance), Rick Rinkoff (treasurer), Sally Sand (clerk), Greg Torrence (faith in action), Jered Weber-Johnson (priest), Holly Weinkauf (junior warden)

Present: Bette Ashcroft (membership), Bob Baumann (fellowship), Lynn Hertz (senior warden), Mary Johnson (pastoral care), Jenny Koops (children, youth, family), Gabrielle Lawrence (at large), Bob Linehan (liturgy), Mark McInroy (at large), John Mulloy (property), Brad Smith (finance), Rick Rinkoff (treasurer), Sally Sand (clerk), Greg Torrence (faith in action), Holly Weinkauf (junior warden). Also present: Craig Lemming, Sarah Dull, Margaret Thor.

6:30 – Opening Prayer – Margaret Thor

Approval of June 15, 2020 minutes: MSC

Consent Agenda Item: Faith in Action, Greg Torrence:

- The Farmer’s Market is up and running, using protocols to protect the farmers and our customers. Good year so far. SJE is buying produce from the farmers and donating it to three organizations that feed the hungry: Hallie Q Brown Center (HQB), First Nations Kitchen, and now St Nicholas (Julie Luna’s parish) as they have a large LatinX population that work mostly in the service industry where job loss is especially felt.
- First Nations Kitchen is still on hiatus for meal preparation but is handing out our produce on Sunday afternoons. If you are interested in volunteering to prepare the bags for hand out, let me know.
- Hearts to Homes is not meeting this month. We continue to support one young woman financially.
- School tools gathering begins next Sunday at the Farmer’s Market. We will have bins set up for collections.
- The Kayoro group recently received an update from the clinic. Uganda has many restrictions as well due to Covid, yet Give Us Wings has been out educating about Covid and other health concerns. The St John’s Clinic now proves 24 hour service with staff living on the premises. Because of that, the clinic has seen a dramatic increase in deliveries at the clinic with 44 babies born during the 2nd quarter. The clinic staff sends special thanks to SJE for “sending funding that they are using to purchase PPE and hold additional health outreaches.”
- HQB food shelf: Please remember them in your giving. Fresh produce is a treat for them but they can also use cash to purchase other needed items.

Wardens Report:

The Vestry watched Jered’s video address.
1. Deacon Transition

At Margaret’s request, the Bishop has assigned her to St. John’s in the Wilderness in White Bear Lake. This is the parish in which Margaret was raised. Originally committed to staying 5 years at SJE (she stayed 6 years), she’s grateful to everyone at SJE, the leadership and the community. Her last Sunday with us will be August 30; she will preach that day. Lynn and other Vestry members thanked Margaret for her immense contribution to our community, and wished her well.

Jered has spoken with the Bishop, who is open to our creative ideas about the Deaconate. We will come to a decision in the next month.

2. Jayan Koshy – nomination for postulancy

**MOTION**: The Vestry unanimously voted to accept Jayan Koshy’s postulancy to the priesthood.

3. Crocus Hill Preschool update

The Vestry will discuss ideas for using the space in August. (Rent is paid through August.)

4. Opening St. Johns

   a. Discussion/approval of taskforce recommendations

Refer to the document, “Worship and Programming at St. John the Evangelist during Pandemic,” distributed to the Vestry by Sarah prior to the meeting.

We are in stage 1.5. Stay-at-home order is lifted, but infections are widespread. We hope to achieve stage 2 (reduction in cases, adequate testing, care, tracing) in 2 weeks.

Discussion on Stage 1.5 recommendations:

- Clarify whether Rites can be performed outside the building.
- CYF would like to offer outdoor programming for groups (25 or fewer) during 1.5. No objections from Vestry

Discussion on Stage 2.0 recommendations:

- Can small groups (25 or fewer) meet inside or outside the building? Vestry is not comfortable with indoor programming.
- The Task Force will revisit decisions in September, and again in November, etc., etc.
- Vestry will discuss/touch-point) monthly and may request updates from the task force prior to the two-month review period.

Vestry review the Protocol and send any questions to Sarah and/or Lynn.

   b. Communications strategy

Many want to participate in developing a strategic communications plan for St. John’s. We need to be intentional about including multiple voices and steer people to resources for asking questions and
offering input. Need to communicate with people who are not on computers or Facebook. Mailing standardizes information distribution. The mailing will emphasize that the plan is fluid and, will direct people to where they can find updates.

Lynn and Holly to join Coffee Hour to discuss the communications plan.

**MOTION to adopt the communications strategy and adopt the plan moving forward. MSC**

   c. John Mulloy update on livestream technology

John referred to “Livestreaming Recommendation” document distributed prior to meeting. Recommending a phased investment. The phases are not necessarily sequential. Each phase builds new capabilities that can be leveraged as we progress.

**MOTION: The Vestry approved up to $15,000 expense for the committee to move forward with the livestream project.**

We need an additional volunteer to make this doable.

5. Racial justice initiatives for SJE
   a. Progress on initiatives
   b. Public messaging

Mark showed a mockup of a sign that references the Baptismal Covenant, quotes MLK and connects with #BlackLivesMatter

Discussion: Important to seek input from Black Lives Matter on our use of their brand.

Vestry will see another mockup before final.

**MOTION: The Vestry approved moving forward with the concept.**

6. Staffing Update
   a. Katie Madsen leave - we are talking with an intern candidate through Circle of Care
   b. Jayan IWC work
   c. Communications staffing
   d. Building closure update

**Commission Reports and Old Business**

**Finance**

YTD surplus is still nicely positive at $35K but it’s down from $48K a month ago. The culprit is pledges, which after a very strong streak this spring, dropped sharply in June. During the month we received $32K in pledges compared to around $50K in each of the previous two months and $45K in June of 2019. This isn’t shocking, given the circumstances, and we’ve consistently mentioned that such a drop-off was a real possibility. As you can see on the Dashboard, excellent control of discretionary spending, together with exceptionally strong non-pledged income, more than offset the pledge shortfall, and account for the entirety of our YTD surplus vs. budget. Note we still are treating our potentially forgivable $61K
Paycheck Protection Program loan as a loan. We are submitting an application to have the loan forgiven per the terms laid out by the SBA and BankCherokee. Any portion that is forgiven essentially becomes income.

Our endowment has risen nicely each month since the March low although it’s still down from the year-end 2019 level. We now have 10 of the 12 data points to determine our 2021 endowment draw. When I project next year’s draw by assuming the remaining 2 data points this year (9/30/20 and 12/31/20) are equal to the 6/30/20 values, the 12-quarter moving average as of 12/31/20 would be 1-2% below that of 12/31/19. Under this assumption, our 2021 draw would drop by $3 - $6K. If we were to continue along the path of reducing the draw rate on the Cornerstone Trust by 0.1% per year (from 4.4% to 4.3%), that would knock another $6K off the draw meaning a total potential decline of $9 - $12K (from this year’s $300K). Hold that thought.

We don’t know what the balance of 2020 will bring, but the most likely financial outcome is a sizeable surplus. The bigger question is what will happen in 2021. There are several clear risks. First, pledging and the stewardship campaign. Sarah and the committee are working on the campaign and have great ideas, but pledges account for about 60% of our revenue and June’s results were not a positive indicator. Second, the endowment draw is likely to go down for reasons stated above. Third, Crocus Hill Preschool will not open for the 2020-2021 school year and likely not beyond that either. That’s $33K in revenue that we assume goes away in 2021, barring another tenant stepping in. The school is current in their payments so far this year but will not make its usual payments this fall. Expenses are much more in our control as evidenced by the great job the staff and ministries have done this year, but budgeting for 2021 at this point is a challenge. For example, will we have a choir with paid section leaders?

The good news is that our cash position remains solid with $40K in our operating accounts and another $74K in cash reserves (the latter includes proceeds from our PPP loan). Here are what I believe our most important financial priorities are right now:

1. With a few notable exceptions, minimize spending to preserve cash given the uncertain revenue outlook and unknown duration of not being able to conduct normal church services.
2. Make a thoughtful decision by year-end as to how to allocate the likely 2020 surplus. Traditionally, we use the proceeds to pay down debt and make a $5K contribution to the Youth Mission Trip. There’s no YMT this year so no contribution but there are multiple options for the surplus including bolstering the 2021 budget, putting money into a capital reserve fund, paying down bank debt, allocating money to some restricted/designated funds, etc.
3. Draft the 2021 budget.

**Building** – no update
**Property** – We awarded the bid on the narthex project ($12,000)
**Children/Youth Family** - committee reconvening next month with some new members added...
**Faith in Action** – see consent agenda, above. Promote money raised!
**Fellowship** – no update
**Formation** – revisiting curriculum on Sanctified Art. September –It’s a Wonderful Life
**Liturgy** - no update
Music - no update

New Member – committee met, notes forthcoming. How to communicate membership to the broader community? The bells are ringing Sunday morning – committee will distribute a flyer around the neighborhood inviting people to virtual service committee will distribute a flyer around the neighborhood inviting people to virtual service, basics class, and other opportunities at SJE. Might we consider additional ways to promote our digital service?

Pastoral Care – no update

Closing Prayer

NEXT MEETING: Monday, August 17, 2020