

Episcopal Church of the Incarnation
October 25, 2022 – Regular Vestry Meeting
Location: Short Hall
Minutes

Attendees: Allan Bolchazy, Bo Simons, Linelle Lane, Mark Sawdon, Michael Del Vecchio, Stephen Little, Steven Layton; Stephen Shaver, Rector; David Jasper, Treasurer; Kathleen Kane, Clerk.

Absent: Connie Sinclair, Kathleen Baumgardner, Lois Phillips, Patrick Lancaster, Sara Joslyn.

Guests: None.

- **Call to Order:** Stephen S called the meeting to order at 6:35 pm.
- **Opening Prayers:** Chaplain Stephen L offered an opening prayer and meditation.
- **Check-in:** Steven L, Bo, Mark, and Linelle each gave a brief personal check-in. Stephen S offered a prayer.
- **Consent agenda:**
 - **Approval of September minutes:** Minutes of the September 27, 2022 vestry meeting were approved as written. (*Approved unanimously.*)

Learning/reflection: The Life Cycle Process

Stephen S presented a model for thinking about and understanding the life cycle of organizations. (See attached illustration.)

Allan shared that he participated in an exercise using this model with leaders of the Open Table ministry in January 2020. At that time, the program was in the “decline” or “disintegration” stage of the Life Cycle model due to impending departures of long-time leaders. Through their discussion using this model, a Steering Committee was established and the Open Table program is now stable.

The take-aways of this model are that rejuvenation can happen, but we don’t have to be afraid of death, which can be a natural progression for an organization or a group, just as with people. It was noted that the changes in the church’s music ministry, the ending of the former Incarnation Tea Room at the Fairgrounds, the pending closure of St. Andrew’s Mission, and the previous youth mission trips, among others, can be viewed from within the framework of this model.

Treasurer’s quarterly report

- **Quarterly financials:** David presented the September 2022 Summary Financial Report. He noted that the funds received under the federal Payroll Protection Program (PPP) and Employee Retention Tax Credit (ERTC) were placed in cash reserves and could be used instead of making the usual full draw from the Green Fund. The annual Green Fund draw was budgeted at 7% until August 1, 2022, at which time it was changed to “up to” 7% with a vestry goal of limiting it to 5-6%.

The vestry voted to consolidate the Alleluia Choir, St. Cecilia Choir, and Concert Fund into a single “Music Program Fund” to formalize changes in accounting for the music ministry programs in the future. (*Moved: Steven L. Seconded: Linelle. Approved unanimously.*)

In advance of budget discussions that will include setting a cost-of-living adjustment (COLA) figure for 2023, David noted that the Finance Committee has no specific recommended position but advises caution. As explained in his written Committee report, if the vestry decides to use the Social Security Administration’s (SSA) 8.7% figure or another percentage that differs from the 3-year average methodology recommended by the Diocese and now in practice at Incarnation, we will need to stop following the Diocesan recommended COLA adjustments in future years. For example, if the 2024 SSA COLA is 5%, the Diocese will be recommending a 6.5% COLA figure because their formula will average 2022-2024 COLA increases. The Diocesan recommendation is designed to flatten the curve and avoid having large spikes in parish budgets in single years. We use a similar method when calculating the annual draw amounts from the Green Fund, by applying a 5-year rolling average to the Fund’s year-end balance, which evens out the peaks and valleys of market action.

Stephen S noted that the budget discussions can consider using the SSA COLAs rather than Diocesan formula or continuing to use the Diocesan formula with a lower figure for 2023 and do salary changes to ensure that staff are compensated fairly. Budget discussions will be on the vestry’s November meeting agenda.

David also explained how Eric’s compensation works and why the way in which housing costs are considered was changed to comport with federal tax code.

Budget process discussion

- **Staff compensation discussion:** The vestry discussed suggestions about possible salary changes for church staff. A motion made by Mark and seconded by Stephen L was withdrawn so that a decision could be made at a future meeting when more members were in attendance
- **Potential for Children’s Choir program and impact on music budgeting:** Jun Kim has started as Incarnation’s new Music Director and is eager to start a new children’s choir, which is included in the vestry’s 2022-23 goals. Jun would begin in 2023 and would use the Royal School of Church Music (RSCM) program, which is a “gold-standard” music program. This would entail an increase of Jun’s hours from 50% to 75% time to start and build the program. Increased costs would include increased payroll and music acquisition. Secondary expenses for resources could potentially be absorbed by program participants, though that would need further research. The Music Program Fund currently has a balance of approximately \$11,000. The RSCM program is Episcopal-specific and includes rigorous emphasis on education with matriculation through levels. It may be an outreach to people not already attending Incarnation. Stephen S will ask Jun to present the idea to the parents’ group and the vestry to give all a better sense of

what is entailed and to hear feedback. Any decision needs to be made within the context of budget-setting.

Reflecting on Imagine Incarnation and next steps for our property development process

Stephen S noted that the Property Development Task Force (PDTF) will meet on November 1, 2022. They will debrief the three Town Hall meetings and talk about next steps.

Updates

- **Buildings & Grounds:** Allan submitted the attached report from the Buildings & Grounds Committee.
- **Rectory new rental update:** Several members of the tenant family members have obtained employment/started a business and have moved to other homes. The remaining four family members have given their notice to move for financial reasons. The property manager has leased the property out at a market rate rent of \$3,500/month. The manager will do a walk-through inspection and report back on the condition of property.

Other items for general discussion (DDDD¹)

- **Update on congregational care coordinator search:**

Stephen S reported that he made an offer to the top candidate, who has accepted position. Some additional steps need to be completed before an announcement can be made.

Summing up tonight's meeting for wardens' announcements

- Offer to pastoral care coordinator – still finalizing Letter of Agreement.
- The Dawood family is leaving the rectory and it is being re-rented.
- The vestry is having ongoing budget discussions for 2023.
- We will start seeking vestry candidates soon.

Closing Prayer: Chaplain Stephen L offered a closing prayer.

Meeting adjourned: 8:48 pm

Next monthly meeting of the vestry to be held on November 15, 2022.

Respectfully submitted,
Kathleen Kane, Clerk

¹ Discuss, discern, don't decide.

MODEL 5: LIFE CYCLE OF ORGANIZATIONS

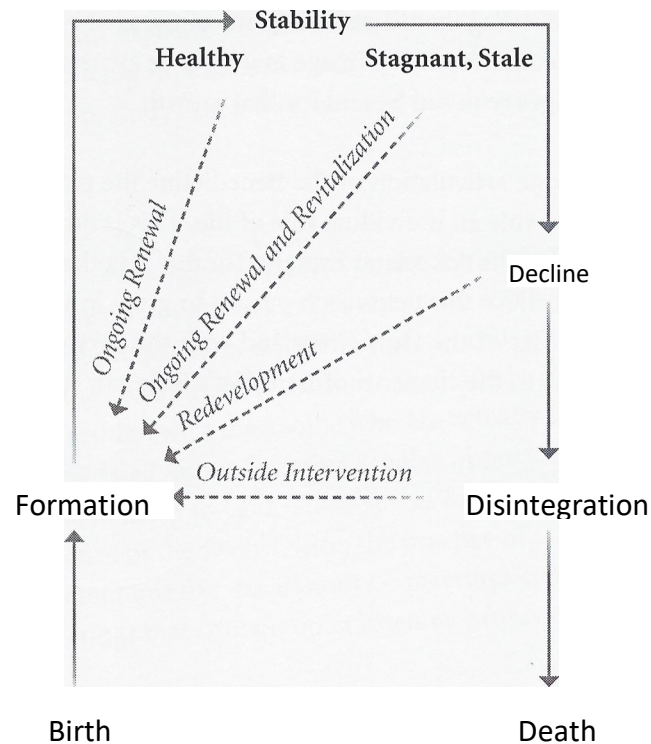


FIGURE A -14 : MODEL 5—LIFE CYCLE OF ORGANIZATIONS

Birth: A founder or founders, an idea, a dream

Formation: Identity—who are we (at the faith level)? what are we here for? who is our neighbor, and how are we related to our neighbor?

Stability: Fruitful and sustainable ministry, institutionally and spiritually. A time when the elements of organizational life fit together (money, vision for ministry, property, people). Stability can be a place of health or can tip into feeling stagnant or stale, with growth stalling and new opportunities being ignored. This tip is sometimes experienced as a membership plateau followed by declining numbers.

Decline: Characterized by a fall-off in numbers; decline in energy; fear, blame, and confusion in the system; a focus on small things rather than central issues

Disintegration: Marked by conflict, hopelessness, feeling stuck, inability of internal leaders to affect change

—Adapted from Alice Mann's *Can Our Church Live? Redeveloping Congregations in Decline*

Buildings and Grounds Report
Submitted by Allan Bolchazy
October 22, 2022

Buildings and Grounds Committee - October 15 Meeting

During the October 15 meeting, the committee discussed the following items:

- **Landscaping** - While the Vestry previously approved an amount for the work on the front landscaping to be completed, it was with the stipulation that we get a second bid. This has not yet been done. Allan Bolchazy will get a second bid for the landscaping installation, and will also get a bid for landscape maintenance. We hope to get the landscaping on the calendar for early 2023.
- **Electrical/Lighting** - Bob Matteucci has researched and recommended LED lighting for the breezeway lights - they will be more energy efficient. The Committee felt that having a licensed electrician install them was prudent. In addition to the breezeway lighting, it is desired to relocate the light sensor that turns them on and off as the breezeway does not have enough light during dusk/dawn periods. We will add new Farlander restroom fans, front signage lighting, and motion sensor light switches for the breezeway restrooms to the scope of work before seeking out bids for the electrical work. We will also reach out to Erik Ramsey to see if he has additional electrical items to add to the list.
- **Security System** - The existing security system that serves the church building, the welcome center, and the office has failed. Alison Cole invited a security company to come in to bid, with a resulting bid at \$9000. The Committee felt that the cost was too great for the limited scope of area that it covers, and Diane Schoenrock will be further investigating if we can get a more comprehensive system at perhaps a similar cost or less.
- **Church Windows** - The putty/glazing on the stained glass windows needs repair. The window casings also need some repair and painting, and the yellowed plexiglass panels protecting the windows need replacement. Bob Priestly is working on bids for this.

Solar Panel Net Metering

John Nykamp reported the following:

“Just an update on the switchover to NEM billing with PG&E. I called to figure out what was going and we are still in the queue to get switched over. It could take another billing cycle or two. The good news is that when they switch over they retroactively adjust back to the 8/24 PTO date so even though the current bills don’t show it, we will get credit for energy sold back to the utility company once they make the switchover.”

1070 Gaddis Ct (Rectory) - Tenant Status

The current tenant has decided to relocate to find more economical housing, and will move out at the end of October. Sue Carrell and Associates, the property manager, has found a tenant who intends to move into the property in early November, and will rent the property at the market rate of \$3500 per month.