

St. John's Episcopal Church Vestry 22 April 2020
via Zoom videoconferencing

Present: Pam Brittain, Ray Contreras, David Dennehy, Terry Farrelly, Diane Gustafson, Rev. Roger Haenke, Muriel Kulikowski (via telephone), Jim McDevitt, Judy McKay (via FaceTime), Lynn Young

Absent: Mark Higginbotham

The meeting was called to order at 6:08 p.m. by Rev. Roger Haenke, who offered the opening prayer. He noted with appreciation the efforts of Mark Higginbotham and Ryan Attaway for keeping the property safe and maintained and for Cliff Berkowitz who is helping update the church website.

Ray Contreras moved, David Dennehy seconded approval of the Consent Agenda (minutes of the March Vestry meeting, Priest's report, and Wardens' report), and the motion passed. The Wardens' report was given orally rather than in writing and consisted of the items under Old Business (see below). It was suggested and agreed that there be a section of the Vestry minutes for "lessons learned" (see below).

Old Business:

- The Diocese has approved a grant for gutters and painting, and Mark Higginbotham is scheduling with Works to start this.
- Water flow mitigation at ECS has been completed.
- Roof repair on Rooms 17 and 18 has been completed.
- Work to resolve plumbing issues has been completed by Jamie Attaway.
- Parts for the fountain have arrived, and work will be scheduled.
- Contract with Ontario for the HVAC has been signed, and work will begin on Thursday, April 23.
- Mark Higginbotham and Ashley from McKee Management are working on the alarm system. Chula Vista Alarm will be asked if they can take on the burglar alarm as well as fire alarm.

Terry Farrelly reviewed the Treasurer's report. Revenues have been close to what had been budgeted even though there have been no plate offerings due to no in-person services. St. John's has applied for a PPP (Paycheck Protection Plan) loan and has received approval from the Diocese to freeze loan principle payments until 2-3 months after in-person services are permitted again. *Note: The Vestry approved in an email vote St. John's application for the PPP loan. See attached the email that resulted in that vote.*

New Business:

The March meeting minutes reflect the successful outcome of St. John's petition to the court to approve transferring the playground funds to the Diocese. Ray

Contreras moved, David Dennehy seconded that an order be submitted to the court to specify that the funds be divided equally between Vida Joven and Diocesan youth activities, thus avoiding interpretation. The motion passed.

Rev. Roger Haenke and Cliff Berkowitz are updating the church website, and the website-in-progress was reviewed by Vestry.

Lessons Learned:

Even when in-person services can be held again, the liturgy should be live on FaceBook and/or recorded for the website.

Small groups (created during the pandemic for maintaining connection) should continue.

The meeting was adjourned at 7:20 p.m.

Diane Gustafson, Clerk of Vestry

From: Roger Haenke <revroger@saint-johns.org>

Date: April 2, 2020 at 17:30:39 PDT

To: David Dennehy <masterfrog@att.net>, Mark Higginbotham <onehiggie@gmail.com>, Terry Farrelly <farrellytc@gmail.com>, rmc@rmclaw.us, james.mcdevitt49@gmail.com, Lynn Young <lynnyoung2786@gmail.com>, Pamela Brittain <brittainpj@att.net>, Judy Mckay <jamac17@att.net>, Muriel Kulikowski <mkulikow1@cox.net>, Diane Gustafson <diangus15@aol.com>

Subject: Proposal: CARES Act Paycheck Protection Program loan application

Hello all,

I met with David, Mark and Terry this morning regarding our financial situation.

Under the new federal legislation (CARES Act), churches may apply for a loan under the Paycheck Protection Program through the Small Business Administration up to an amount equal to 2.5 times their monthly payroll costs.

This loan can be forgiven as long as the entity keeps the same number of employees (on June 30, 2020 as compared to the prior year) and does not reduce each employee's salary by more than 25%.

I just got off a call with Bishop Susan and the **diocese is highly recommending** that parishes, in need, begin the application process as soon as possible.

A loan request would be approximately \$15k to \$20k.

We will have to work through our bank to file for this SBA loan.

We are told that the loans will be processed on first come, first serve basis, so it would be good to do this as soon as we can.

If all goes well, we could get a forgivable loan for \$15-20k to help us with salaries and expenses.

Terms

PPP loans bear interest at a maximum rate of 4% and mature no later than 10 years after determination of the amount, if any, to be forgiven.

Payments under PPP loans may be deferred for 6–12 months, and the SBA is directed to issue guidance on the terms of this deferral. PPP loans have no collateral or personal-guarantee requirements.

Here is the “downside” of doing this:

1. We could apply and be denied. If that happens, we are just out the effort.
2. We could apply but for some reason not get forgiveness. Then we would just pay back the money we were originally given.

I am asking the Vestry to pass a motion:

that either the Priest-in-Charge or the Treasurer of St. John's Episcopal Church will make an application with our financial institution or other Lender approved by the SBA for a Paycheck Protection Program loan and act on behalf of the parish. The proceeds will be used to retain worker, maintain payroll and other utility expenses. All actions of the parish officers (listed above) including submission of the application and supporting documents are hereby ratified and approved.

In addition, there are other aid alternatives that are associated with the Diocese. We are working with a diocesan consultant to review the finances of St John's and identify which diocesan

alternatives would work for St John's. I expect the loan restructure that we discussed at our last vestry meeting might be included in the package. More to follow on that.

Secondly, at our vestry meeting we discussed (or at least mentioned) the HVAC system over the administration was needing repair. We were waiting for a report from Ontario. That report (with cost) was received. The HVAC system for the administration building needs a new compressor. The contract cost to replace the compressor is \$2,534.00. I think that we as vestry had approved the repairs of our HVAC system, so this is an additional cost to the repair of the HVAC system.

Please reply to my motion as soon as possible so that hopefully we can complete our application for the PPP loan.

Below you will find proposal that went before the Finance Committee of the diocese. They are applying for the same loan.

Thanks
Roger

Rev. Roger Haenke
Priest-in-Charge
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WHEREAS, the Diocese wishes to enter into a loan transaction, specifically a Paycheck Protection Program loan in an original principal amount not to exceed _____ Dollars (\$_____) ("PPP Loan"), made under the auspices of the Coronavirus Aid, Relief, and Economic Security (CARES) Act by or on behalf of the U.S. Small Business Authority ("SBA"), with the PPP Loan to be made or arranged by [*Name of Proposed Lender*], or any other lender approved by the SBA for such loans ("Lender"), the proceeds of which will be used to retain workers and maintain payroll for the Diocese and certain of its constituent mission activities;

NOW, THEREFORE, BE IT RESOLVED, that either the Bishop or the Treasurer of the Diocese, acting alone, are hereby authorized and directed, in the name of the Diocese, to proceed with arrangements for the PPP Loan from Lender on the terms and conditions agreed upon between Borrower and Lender and on such additional terms and conditions as such officers deem necessary and prudent; and

RESOLVED FURTHER, that each of the Bishop and the Treasurer, acting alone or acting jointly, is hereby authorized and directed to sign and enter into such promissory notes, loan agreements, loan applications and other documents, instruments and certificates, and take such other actions on behalf of the Diocese as such officers deem necessary and prudent, as are necessary for the Diocese's entry into the PPP Loan, including any and all modifications, revisions and extensions of the PPP Loan; and

RESOLVED FURTHER, that all prior actions of the Diocese's officers in negotiating the PP Loan, including submitting applications and supporting documentation, are all hereby ratified and approved; and

RESOLVED FURTHER, that Lender is hereby authorized to act and rely upon the foregoing resolutions until written notice of revocation is delivered to Lender, and the authority granted

pursuant to the foregoing resolutions shall apply with equal force and effect to the successors in office of the current officers of the Diocese.