The 2020 Annual Parish Meeting
St. James by-the-Sea Episcopal Church

January 26, 2020

At St. James by-the-Sea we welcome and care for all people at every stage of their spiritual journey, and we seek to create opportunities for faith in God to be discovered, renewed and put into action.
ST. JAMES BY-THE-SEA EPISCOPAL CHURCH

Agenda for the 2020 Annual Meeting
January 26, 2020, 11:15 am to 12:15 pm
St. James by-the-Sea Church

Welcome and Opening Prayer
The Rev’d Dr. Mark Hargreaves, Rector

Recalling Faithful Members Born to Paradise
Walter DuMelle

Approval of 2019 Annual Meeting Minutes
The Rev’d Dr. Mark Hargreaves

Elections
Julie Castan

Since the nominations are closed, as per the St. James by-laws, this slate will be approved by acclamation.

- **Nominations for Vestry** *(biographies included on p. 7)*
  
<table>
<thead>
<tr>
<th>3 Year Term</th>
<th>2 Year Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philip J. Fickling</td>
<td>Katherine Gordon</td>
</tr>
<tr>
<td>Joanne Fox</td>
<td></td>
</tr>
<tr>
<td>Bruce Ray</td>
<td></td>
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<tr>
<td>Kristin Sargeant</td>
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</tr>
</tbody>
</table>

- **Nominations for Delegates and Alternates to 2020 Diocesan Convention**

<table>
<thead>
<tr>
<th>Delegates</th>
<th>Alternates</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deborah Cleveland</td>
<td>TBD</td>
</tr>
<tr>
<td>Paul Cleveland</td>
<td></td>
</tr>
</tbody>
</table>

Reports

  - **Stewardship**
    Pete Davis
  - **Finances**
    Chris Christopher
Rector’s Report  The Rev’d Dr. Mark Hargreaves
Organ Report  Alex Benestelli
Q & A  
Recognition of Retiring Vestry Members  The Rev’d Dr. Mark Hargreaves
Concluding Remarks  The Rev’d Dr. Mark Hargreaves

Prayer
Almighty God, we give thanks for your goodness and the richness of your blessings. Look upon us with your favor as we work together to build your Kingdom in our community. Take the gifts that we have to offer, transform them by the workings of your Holy Spirit and put them to use in your service.
In the name of your Son, our Savior, Jesus Christ, we pray. Amen.

A Concluding Hymn  529: In Christ there is no East or West

The Blessing & Adjournment  The Rev’d D. Rebecca Dinovo
Welcome and Opening Prayer

The Annual Meeting was called to order at 11:25 a.m. by the Rector, the Rev. Dr. Mark Hargreaves, and was opened with a prayer. The meeting was held in the sanctuary of the church.

Recalling Faithful Members Born to Paradise

Water DuMelle recalled the passing during 2018 of the following church members: Alice Barry, Homer Richard Bivin, Joan Bivin, Karen Carter, Barbara Claiborne, Rhoda Duren, Joan Forsberg, Herman Froeb, Lyn Ganschinietz, Nancy Kaehr, Nina Jane La Fetra, Karen Logan, Adrienne Magnuson, Shannon Mallory, William McGuire, Kenneth Prue, Audree Rapp, Victor Sell, Brian Skillman, Harry Summers

Approval of the 2018 Annual Meeting Minutes

As a quorum was present, Reverend Hargreaves asked to address the approval of the 2018 Annual Meeting Minutes. A motion to approve was made by Laura Lee Skillman. Sherry Seymour seconded. The motion was passed by acclamation, with a spelling correction of “Borne” in the second paragraph.

Elections

Vestry. Rev’d Hargreaves shared his pleasure with the array of talent, experience and gifts the nominees will bring to the Vestry. There is a slate for nominations via committee and the nominees were introduced. The candidates for the five open positions on the Vestry to serve a three-year term are: Lorraine Beton, Peter Giffin, Tommy Kuhn, Alison B. Lee and David Wilson. With no objections the nominees were approved by acclamation.

Delegates and Alternates to the 2019 Diocesan Convention. Rev’s Hargreaves advised that the delegates and alternates are yet to be determined. There are a number of individuals available and they will be announced in due course.

REPORTS

Stewardship

Peter Davis, Chair of the Stewardship Campaign, briefed that the 2019 campaign exceeded its target of 200 households. Total: $604,832.00 has been pledged. Thanks, were expressed to Philip Roeder for his service to the Stewardship Committee. There were no questions. Rev’d Hargreaves conveyed his thanks to Peter for taking on the job of Stewardship Chair.
Finance

Chris Christopher, Treasurer, wished to thank Jennifer Bonnes – Bookkeeper, as well as the board members for their service over this last year. The church’s budget for 2018 was remarkable and the year’s goals were exceeded. The budget for 2019 is also anticipated to exceed target goals. The Finance Committee is looking toward 2019 with clearly established patterns. They anticipate growth and will ensure the expenses for the church are well attended. Expenditures include residences for the Rector, Assistant Rector, as well as the Music Ministry. They intend to be good stewards for the church’s finances. The church’s assets saw some small decreases in 2018. However, the 2018 financial numbers have not been finalized. This should occur shortly.

Clare Friedman questioned what additional funds are provided to the Diocese for outreach. Answer: Each church provides approximately 10.5% of their net proposed income. Craig Lee questioned the total amount of investable assets. Answer: It is substantial, in the millions. The specific amounts are identified in the financial report provided via the bulletin. Howard Young reviewed several specific figures from the report. He also referenced the report totals of 2018: $4.42 million in assets, and 2017 $4.89 million in assets. Chris Christopher explained the Common Life Pledge with each church providing 10.5% of their net income to the Diocese. For 2019 the amount should be $110,104.00. Rev’d Hargreaves thanked Chris Christopher as well as Jennifer Bonnes along with the entire financial team. They are a good committee and continue to be transparent and improve in their financial efforts.

Rector’s Reports

Rev. Hargreaves expressed his thanks to most importantly his spouse: Laura Hargreaves. Laura is currently still in London. Also mentioned was Lyn Ganschinietz and that never a day goes by in which she is not thought of. Lyn was very much loved and is missed. A small memorial to Lyn is being worked on. It will be practical and probably made of wood to remember Lyn by. Thoughts are of a bench in the courtyard engraved in her honor. More information will be forthcoming.

Although Lyn can’t be replaced, Julie Castan – Rector’s Warden is heading up a taskforce to find two (2) employees to attempt to fill Lyn’s job. One employee will focus on building management, and the other on technology such as the sound system in the church. Interviews for the positions will begin next week. In addition, a special thanks to Walter DuMelle for taking on a great deal of Lyn’s work. Walter has been amazing and never displays frustration or irritation due to the extra workload. A number of groups and committees will have to take on more practical tasks that Lyn would automatically have accomplish. Be aware and look to assist as needed.

Rev. Hargreaves made mention of the positive working partnerships in the church. Gabrielle Strickler and Robin Taylor were noted for their ongoing support for the families of the parish. Katelyn Webster and her patience with the youth of the church were also mentioned. These individuals were noted for providing and building positive relationships in the church.

Alex Benestelli-Director of Music and Alison Luedecke – Organist, were recognized for their ongoing effort in the Music Ministry. Alex has been here one (1) full year and continues to develop on the music efforts already in place as well as develop new efforts and projects.
Rev’d Hargreaves acknowledged Rev’d Rebecca Dinovo as an esteemed partner and thanked her for her collaboration.

Rev’d Hargreaves recognized numerous individuals and committees from the “Petal Pushers”, to the White Elephant Sale, to all the committees. Hundreds of volunteers participate in various efforts and should not be taken for granted. They are an important part of church life and do a great job. He also expressed his thanks for the wonderful remodeled rectory which was completed on budget and should never be sold. It is a great asset for the church.

Mentioned made of the Mission Action Plan (MAP-2018) which is in its first year of a five (5) year plan. This plan will be reviewed and revised at this year’s Vestry retreat and will be reported on at a later date. The organ will also be an issue that will be addressed in the future. Further thanks to Julie Castan, Rector’s Warden and Rod Stark, People’ Warden whom are both levelheaded and possess common sense. Thy will both continue in their positions which will maintain a level of continuity.

Rev’d Hargreaves concluded by thanking everyone and shared that in 2019 we are looking for continuity and are on a good course. With God’s guiding hand we will all work as one.

Questions and Answers

No questions.

Recognition of Retiring Vestry Members

Julie Castan, Rector’s Warden, recognize the Vestry members who were concluding their terms of service and thanks them for all their time and effort. The outgoing members are Phil Roeder, Ann Moses, Sherry Seymour, Pam Bandyk, and Barbara Alcorn. Rev. Hargreaves expressed his initial worry that the Vestry was losing so much talent, however the new members bring many gifts and their own talents which will add significantly.

Concluding Remarks

Rev’d Dinovo made not of the incredible job Rev’d Hargeaves has done as the Rector of St. James and added her personal thanks.

Concluding Hymn and Adjournment

The congregation rose to sing “Praise God from whom all blessings flow” . Rev. Dinovo gave a blessing.

Lee Wagner moved to adjourn the meeting. The motion was seconded by Martha Ehringer. The meeting was adjourned at 12:10p.m.

IN TESTIMONY WHEREOF, Witness my signature this day of ________________, 2019.

Sonja Morey, Clerk.
PHILIP J. FICKLING

I am a life-long Episcopalian--the operative word here being "long"--and have done everything from acolyting in my youth to reading in my more mature years. I am extremely honored to asked to be on the Vestry of St. James by the Sea. The church, the clergy, the laity, the programs, the services, the dedication of St. James have transformed my life in the past few years, and I would like to give something back. My son, Evan, and I have been members of St. James since 2012 with brief hiatus at another church which was beset by chaos. I bring this last point up in the interest of full disclosure and also to state that I know how challenging and yet rewarding being a Vestry member can be. St. James is obviously on a very solid footing--spiritually and temporally--and I would like to help keep it so. Professionally, I am a retired Naval Officer and a very recently retired teacher. I taught English and coached football at Francis Parker School in San Diego, and I taught English to foreign students at a school downtown. While at Francis Parker, I taught a course in the King James Bible as literature--undoubtedly the highlight of my pedagogical career. The highlights of my student career have been the Adult Forums at St. James, especially the ones about the Old Testament that we have been doing this Fall. I love my connection with St. James and would like to increase my commitment to this wonderful parish.

JOANNE FOX

I am honored to have been nominated to the Vestry and look forward to the opportunity to serve and support the mission of St. James. I have been a member of St. James for several years and have had the pleasure to be part of the wonderful work that the church community undertakes. I currently serve on the Outreach Committee as the liaison for Vida Joven, an orphanage in Tijuana. I have also volunteered for the Annual White Elephant Sale, and, most recently, worked at the Christmas Bazaar. Since moving to La Jolla from San Francisco in 1989, I have made it a priority to be active in a variety of volunteer programs. My engagement in the community includes working with St. Germaine Children’s Charity and Las Patronas, as well as serving on the Parent Board at The Bishop’s School, where two of our children attended. In addition to volunteering in the community, for the past 15 years I have owned and operated a bookkeeping service, providing accounting services to primarily older adults and small businesses. I am delighted for this opportunity to be of service and to deepen my engagement with the St. James community.
KATHERINE GORDON

My first memories of church were at St. James and I “grew up” in the parish, but also spent considerable time away—living overseas with my military parents, attending university in the Upper Midwest, and working on the East Coast. I most recently returned to San Diego with my family in 2002. My children were both active in middle and high school youth programs at St. James and I volunteered with those groups, during which time my son was baptized here. I have been a eucharistic minister at the 10:00 AM service for a number of years. Living in an urban neighborhood near Balboa Park, I am often drawn to care for our homeless neighbors and that includes distributing Lunch Bag Ministry meals, serving dinners with the St. James team at the Episcopal Church Center in Ocean Beach, and supporting Maundy Thursday foot washing and the Shoe Tree, at various locations. I have represented St. James as a delegate to Diocesan Convention. I am a parish contact for Cursillo and served a term on the Diocesan Cursillo Secretariat. Currently, I am a student at the School for Ministry and a postulant for ordination. Professionally, I continue to work as a Project Manager in Healthcare IT. Being nominated to serve on the Vestry of St. James is truly an honor and serving our community in this capacity would be a great joy.

BRUCE RAY

I am most thankful for the St James community. I have been a member for over forty years. In many ways St James has helped form me. I delight in its current leadership, in the congregation, and in St James’ spiritual health. It is an enjoyable place. I currently serve near the altar as a chalice bearer, and near the entrance as an usher. I enjoy the Wednesday evening programs, and the between-service forums. I am thankful to be asked to serve on the vestry. I look forward to the opportunity to engage even more in life at St James, in its life between the front door and the altar, in its caring and joyful spirit. I believe in collaboration and listening, in prayer, and in discernment. On the diocesan level I continue to co-facilitate Parish Discernment Committees for candidates seeking ordination. I have taken classes at the Diocesan School for Ministry. I have been involved in EFM (Education for Ministry), and in Cursillo. I work in psychiatric mental health, in the Intensive Care Unit at Sharp Mesa Vista Hospital. I would like to see St James continue to nourish its own health, as well as expand its outreach into the community.

KRISTIN SARGEANT

I was born and raised in San Diego, and have since lived in Ohio, Hawaii, and North Carolina. I first encountered St. James singing in the choir during an interim year back in San Diego and was struck by the genuinely welcoming community cultivated here. I moved back to San Diego full-time in 2017 after accepting a position as a middle school teacher at The Bishop’s School, and have been lucky to find such a caring, inclusive church home at St. James. In addition to the choir, I am also involved in the young adult group Cross Roots. I am so honored by this nomination, and would love the opportunity to serve the St. James community in a new way on the vestry.
# Finance Committee

by Chris Christopher, Treasurer

## Preliminary Unaudited 2019 Financial Results

<table>
<thead>
<tr>
<th>Ordinary Income/Expense</th>
<th>2019</th>
<th>2019</th>
<th>Variance</th>
<th>2020</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Actual</td>
<td>Budget</td>
<td>$ over Budget</td>
<td>Budget</td>
</tr>
<tr>
<td><strong>Incoming Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Member Giving Income</td>
<td>759,849.92</td>
<td>714,000.00</td>
<td>45,849.92</td>
<td>789,000.00</td>
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<td>Rental Income</td>
<td>201,435.35</td>
<td>196,000.00</td>
<td>5,435.35</td>
<td>207,000.00</td>
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<tr>
<td><strong>Total Income</strong></td>
<td>961,285.27</td>
<td>910,000.00</td>
<td>51,285.27</td>
<td>996,000.00</td>
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<tr>
<td><strong>Other Incoming Funds</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Unrestricted Gifts</td>
<td>15,063.00</td>
<td>50,000.00</td>
<td>(34,937.00)</td>
<td>20,000.00</td>
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<tr>
<td>Restricted Gifts</td>
<td>63,844.00</td>
<td>54,700.00</td>
<td>9,144.00</td>
<td>56,850.00</td>
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<tr>
<td>Transfers from Investments</td>
<td>135,082.00</td>
<td>124,752.00</td>
<td>10,330.00</td>
<td>142,527.00</td>
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<tr>
<td>In Kind Donations</td>
<td>12,500.00</td>
<td>-</td>
<td>12,500.00</td>
<td>-</td>
</tr>
<tr>
<td>Fundraising Income</td>
<td>500.00</td>
<td>-</td>
<td>500.00</td>
<td>-</td>
</tr>
<tr>
<td>Fee Income</td>
<td>53,949.39</td>
<td>54,300.00</td>
<td>(350.61)</td>
<td>40,632.79</td>
</tr>
<tr>
<td><strong>Total Sources of Incoming Funds</strong></td>
<td>280,938.39</td>
<td>283,752.00</td>
<td>(2,813.61)</td>
<td>260,009.79</td>
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<tr>
<td><strong>Expense</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Diocese Share</td>
<td>110,103.96</td>
<td>110,104.00</td>
<td>(0.04)</td>
<td>129,928.79</td>
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<tr>
<td>Outreach</td>
<td>32,484.32</td>
<td>25,000.00</td>
<td>7,484.32</td>
<td>32,500.00</td>
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<tr>
<td>Personnel Expenses</td>
<td>702,296.60</td>
<td>707,731.25</td>
<td>(5,434.65)</td>
<td>730,265.00</td>
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<tr>
<td>Food</td>
<td>6,737.63</td>
<td>10,200.00</td>
<td>(3,462.37)</td>
<td>12,000.00</td>
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<tr>
<td>Supplies</td>
<td>61,584.99</td>
<td>32,816.83</td>
<td>28,768.16</td>
<td>50,300.00</td>
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<tr>
<td>Conferences/Convention</td>
<td>3,414.94</td>
<td>4,000.00</td>
<td>(585.06)</td>
<td>4,000.00</td>
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<td>Ministry</td>
<td>17,925.30</td>
<td>22,150.00</td>
<td>(4,224.70)</td>
<td>18,300.00</td>
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<td>Contract Labor</td>
<td>93,753.08</td>
<td>74,330.00</td>
<td>19,423.08</td>
<td>55,000.00</td>
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<tr>
<td>Communications</td>
<td>20,951.50</td>
<td>20,000.00</td>
<td>951.50</td>
<td>22,000.00</td>
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<tr>
<td>Printing and Postage</td>
<td>9,089.48</td>
<td>11,000.00</td>
<td>(1,910.52)</td>
<td>10,000.00</td>
</tr>
<tr>
<td>Advertising</td>
<td>6,789.45</td>
<td>7,400.00</td>
<td>(610.55)</td>
<td>9,500.00</td>
</tr>
<tr>
<td>New Member Ministries</td>
<td>2,694.60</td>
<td>2,000.00</td>
<td>694.60</td>
<td>2,000.00</td>
</tr>
<tr>
<td>Stewardship</td>
<td>772.65</td>
<td>1,000.00</td>
<td>(227.35)</td>
<td>1,000.00</td>
</tr>
<tr>
<td>Technology Equipment</td>
<td>14,906.81</td>
<td>9,000.00</td>
<td>5,906.81</td>
<td>18,772.00</td>
</tr>
<tr>
<td>Telephone</td>
<td>8,820.29</td>
<td>6,600.00</td>
<td>2,220.29</td>
<td>9,120.00</td>
</tr>
<tr>
<td>Travel and Transportation</td>
<td>2,763.24</td>
<td>950.00</td>
<td>1,813.24</td>
<td>2,550.00</td>
</tr>
<tr>
<td>Fees/Charges</td>
<td>22,189.71</td>
<td>19,100.00</td>
<td>3,089.71</td>
<td>21,867.00</td>
</tr>
<tr>
<td>Repair &amp; Maintenance</td>
<td>48,888.82</td>
<td>57,060.00</td>
<td>(8,171.18)</td>
<td>59,655.00</td>
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<tr>
<td>Property Taxes</td>
<td>2,010.36</td>
<td>9,650.00</td>
<td>(7,639.64)</td>
<td>5,578.00</td>
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<tr>
<td>Property Insurance</td>
<td>24,576.25</td>
<td>24,000.00</td>
<td>576.25</td>
<td>25,000.00</td>
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<tr>
<td>Utilities</td>
<td>33,401.54</td>
<td>28,000.00</td>
<td>5,401.54</td>
<td>34,674.00</td>
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<tr>
<td>Contingency/Misc</td>
<td>7,893.00</td>
<td>1,700.00</td>
<td>6,193.00</td>
<td>2,000.00</td>
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<tr>
<td><strong>Total Expense</strong></td>
<td>1,234,012.52</td>
<td>1,183,792.08</td>
<td>50,220.44</td>
<td>1,256,009.79</td>
</tr>
</tbody>
</table>

**Surplus (Deficit) Funds for Operations**  
8,211.14  **  9,959.92  
(1,748.78)

Other Significant Activities

- **Women of St James**  
  50,000.00  50,000.00  -  50,000.00

- **Health Ministries**  
  41,751.00  41,751.00  -  46,629.00

- **Smith Fund**  
  27,232.00  27,232.00  -  27,921.00

**Not included**

- **Music Series (Self Funds)**

* Extra distributions includes $10,300 transfer from Steinert fund for qualifying major repairs.  
** Elimination of in kind donations creates a small deficit of $4,300
St James had another excellent year financially. Based on preliminary data, member giving including pledges, regular givers, open plate and special day offerings exceeded our ambitious budget $714,000 by $46,000. That is great news. Rental income was slightly above budget as we were able to rent space in the church buildings. Transfers from investments, restricted gifts and fee income were in line with what we budgeted. We did fall short of our ambitious $50,000 faith budget.

Our 2019 operating expenses of $1,234,000 were approximately $10,000 higher than budgeted. Some expense line items were higher and others lower than budgeted, however, the overall level of accuracy suggests we have a very good handle on our financial affairs.

A few highlights:

- We funded an increased amount of outreach discussed in other reports in this annual report;
- We continued to adhere to our policy of limiting distributions from our invested funds to 5% of their value
- Our invested funds all thrived in a solid year in the market.

The budget for 2020 is in line with 2019 (with a few changes here and there) and shows us breaking even.

I plan to stay on as treasurer in 2020. I would like to thank my finance committee for their tireless service including Gretchen Glazener, Ric Ladt, and Laura Lee Skillman. Special thanks to Julie Castan, Rector’s Warden, Rod Stark, Peoples’ Warden, Jennifer Bonnes in our finance department and, of course, our rector, the Rev’d Dr. Mark Hargreaves, all of whom were active in our committee’s work.
The Investment Committee is responsible for:

-- making recommendations to the Vestry regarding the selection of and performance of the Investment Manager, a professional wealth advisor and management company.
-- providing the Church’s Investment Policy.
-- overseeing the Investment Manager’s administration of the Investment Portfolio to ensure compliance with the Investment Policy.
-- quarterly reporting to the Vestry the valuation and performance of the Investment Portfolio accounts and any other pertinent matters requiring Vestry attention.
-- providing a preceding calendar year summary of the valuation and performance of the Investment Portfolio for the Annual Parish Meeting.

Committee Membership for 2019:

Appointed Members: Ex Officio Members:

Howard Young, Chair  Mark Hargreaves, Rector
Paul Cleveland, Secretary  Julie Castan, Rector’s Warden
Stan Bishop  Rod Stark, People’s Warden
Paul Dostart  Chris Christopher, Treasurer
Chris Glazener

The local financial management firm of Dowling and Yahnke has managed the St. James Investment Portfolio since 2003. The committee remained highly satisfied with the Investment Manager’s professional performance in 2019, exhibited by:
-- achieving returns (net of fees) closely aligned with established benchmarks of the following asset classes comprising the Portfolio: Fixed Income bond funds, U.S Large/Mid/Small-cap equities, Foreign equites, and Real Estate securities.
-- providing comprehensive portfolio updates at quarterly committee meetings
-- charging reasonable management and advisory fees of approximately 0.70%.

The Portfolio consists of eight major fund accounts, the largest of which is the General Investment Fund for church operations. The remaining accounts are designated for specific uses, such as clergy housing, music, health ministries, and major repairs to buildings and grounds.

Total Market value of the Portfolio was $5,021,057.32 on December 31, 2019, compared with a value of $4,424,443.63 on December 31, 2018. Withdrawals totaled $225,242.94 to support the various church ministries. The annualized return for the Portfolio, net of all fees, was 18.93%.
St. James adheres to the policy of distributing 5.0% of the average fund balances for the preceding twelve calendar quarters to support church ministries. This policy:
-- seeks to preserve principal while enabling continued use of the endowments as the donors originally intended.
-- provides for capital growth during periods of favorable market returns.
-- mitigates capital losses during periods of market downturns.

Significant achievement in 2019: Updated the Church’s Investment Policy stipulating the responsibilities, limitations and guidelines under which the Investment Manager manages the St. James Portfolio.