

St. Margaret's Church Westminster Parish



Vestry Meeting Minutes Monday, December 15, 2008 Approved on Monday, January 12, 2009

1. Opening: The meeting was called to order by Bud Billups at 7:01 pm in the conference room of the Administrative building followed by the opening prayer.

Attendance: Stewart Lucas, Nancy White, Bud Billups – Senior Warden, Gordon Piche – Treasurer, Stacia Bontempo – Registrar, Steve Brennan, Leah Drooff, Phil Graham, Sarah Hyde, Larry Lorton, Emilia Nardi, George Saroch, Jerry Smith, Carly Wilson and Arvilla Wubbenhorst

Guests: Kent Pagoota, Jim Hall and George Tolley

2. Minutes: Stacia Bontempo

The minutes of the November, 2008 meeting were reviewed and approved with the following amendments.

- a) Under #5 (d), the line should read: Should we have a sub set of the vestry that will take a closer look at the budget to pare it down? Yes, we will. And, Kent Pagoota will get prioritization from the commission heads by November 28 on their budget line items.

MOTION: It was moved and seconded that we approve the November 2008 minutes as amended above. The motion passes unanimously.

3. Treasurer's Report: Gordon Piche

Quote

St. Margaret's Church Westminster Parish Treasurer's Report 15 December 2008

At the end of the month of November, there was \$37,088.29 in the Operating Checking account and \$22,975.59 in the Operating Savings account. The Designated account had a balance of \$48,334.87 and the Endowment checking account balance was \$76,452.13. It is noted that as of Friday December 12, there was \$58,156.24 in the Operating Checking account. An Endowment check for \$196,890 was written the last week of November to pay off the Parish Hall loan balance as directed by the Vestry at the October meeting.

On the **income** side of the ledger, through the end of the month of November we were \$29,016.77 under total YTD budgeted income (*note:* YTD = January 1st through November

30th). Actual yearly income through November 30 was \$652,801.64 against a budgeted income YTD of \$681,818.41. There were no donations received during the month of November; therefore, the Donations line item continued to grow short of YTD budget, standing at a negative \$34,146.33 (\$11,687.00 vs. budgeted \$45,833.33). Income from pledges continues to fall short of budget, showing a short fall of \$40,337.07 (\$530,398.81 received vs. budgeted \$570,735.88). The deficit from pledges increased again during the month. Plate offerings continue to be well above expected at \$38,653.88 through the end of November, which exceeds the budget estimate for the whole year by \$18,653.88.

On the **expenditure** side, through the end of November, we have expended \$651,652.88 having budgeted expenditures YTD of \$680,903.63. No one line item within any of the cost centers shows an unusually large or unexpected delta from budget.

The **net total** or bottom-line for the year to date ending 30 November 2008 shows a net income of \$1,148.76 (i.e., actual income less actual expenses).

Gordon Piché
Treasurer

End Quote

- a) 'Plate' contributions come from the offering plate and are from someone who doesn't pledge. A donation is a large, non-Sunday contribution (less than \$5,000). It could be a small bequest. Last year, most of the donations came in December.
- b) It does seem as if people are trying to catch up on their 2008 pledges right now.

4. Operating Budget for 2009

- a) Bud Billups, George Saroch, Jim Hall, Janice Roper-Graham, Leah Drooff, Jeff Conover, Jerry Smith, Kent Pagoota and Larry Lorton met to discuss the proposed 2009 budget and came up with a balanced budget. The personnel committee was there to discuss the staffing issues with clergy and administrative staff. Dina van Klaveren and Stewart Lucas also provided some information for that discussion. They noted that with three clergy, there are no funds for more administrative staff and, currently, our clergy are doing a lot of administrative functions, which could be done more inexpensively by an administrative assistant, so the 2009 budget proposes only two clergy.
- b) Kent Pagoota presents the 4th draft of the 2009 budget.
- c) The guidelines for clergy compensation from the diocese recommend a 4.1% increase for cost of living plus a 1% increase because Maryland is viewed as being below national averages for clergy compensation. The personnel committee recommends this 5.1% increase.
- d) The duties of Ruth McDaniel, Parish Administrator, will increase in responsibility as she will share in some of the financial duties (remote deposits, postings for contributions and postings to the general ledger). The Personnel Committee recommends hiring a part-time administrative assistant to do the bulletins, mailings, etc.
- e) The Personnel Committee will write the new job descriptions and update the current positions.

- f) George Saroch will look over the cleaning service fees for the 2009 budget and adjust if needed.
- g) Parishes that obtain the services of a deacon are charged \$1,000 by the diocese.
- h) 54 more pledges are anticipated for 2009. So far, we're at \$592,000 in pledge commitments for 2009. The current economy makes it difficult to estimate pledges for 2009 and for year-end 2008.
- i) Historically, December represents 14% of the income budget compared to 8.X% for other months.
- j) The current draft of the 2009 expense budget is 6.1% higher than the 2008 budget, if you take away clergy expenses.
- k) St. Margaret's did have a full-time sexton at one point, before the new parish hall was built. He took care of the boiler and did all the cleaning. In the 1980s, we had a part-time sexton that did repairs, painting, etc. Each had different duties. John Purgason, Property Manager, currently locks up at night, handles security, and does repairs. George Saroch states that we could have some utility savings if we had a sexton to maintain the HVAC systems here. He prefers a more technically-inclined individual instead of a cleaning person. Currently, the funds for a sexton are not in the 2009 budget.
- l) All projected revenue streams for 2009 are very conservative because of the economy.
- m) Most parishes aren't expecting or experiencing an increase in pledges for 2009 over 2008. We are fortunate that we appear to show an increase in pledge commitments in 2009 over 2008.
- n) The budget committee may have to meet again if there are not significantly more pledges for 2009. Currently, we have an expense budget that is realistic without many items that can be cut. It may have to be refined later if projections don't appear to be realistic.
- o) The 2009 allocation for the rector salary will cover the interim's salary and the search process for a rector.
- p) Maintenance fund. Four years ago a study was done regarding the maintenance issues at SMC and it recommended a yearly contribution for future issues. There is \$74,000 left in the fund currently. It was not funded in 2008 and it is not budgeted for 2009. We could fund the maintenance fund out of the endowment budget or out of any surplus in 2008. Discussion will be continued in January.

MOTION: It was moved and seconded that we approve the balanced budget as presented with an income and expense budget of \$737,346 for 2009 with the understanding that it may need to be revised in future months. The motion passes unanimously.

MOTION: It was moved and seconded that of the total compensation paid to The Reverend T. Stewart Lucas for calendar year 2009, \$30,000 is hereby designated to be a housing allowance pursuant to section 107 of the Internal Revenue Code; and it is further resolved that the designation of \$30,000 as a housing allowance shall apply to calendar year 2009 and all future years unless otherwise provided. The motion passes unanimously.

5. Missions Commission Issues

- a) Every year, 5% of the endowment is set aside for use by the church. A large portion of that is for the Missions Commission.

- b) The Missions Commission now reserves money for smaller projects during the year. Do these smaller items need vestry approval? The Missions Commission would like a written report of the guidelines that they must follow. It's very difficult for them to address short-term needs if they need to wait for approval at a vestry meeting. At the October 2007 vestry meeting, the vestry decided that they would have to approve any spending by the Missions Commission. However, it was explained by Jim Hall that expenses coming from the operating budget for Missions Commission can be approved by the Missions Commission (meaning that George Tolley as Missions Commission chair can approve). Expenses coming from the designated fund for El Hogar can be approved by the Missions Commission (George Tolley can approve). Money from the endowment fund must be approved by vestry currently. We need to address the fiscal policy issue for the Missions Commission at the January meeting.

MOTION: It was moved and seconded that we approve the following recommendations from the Missions Commission to award \$5,000 to the SCAN (South County), \$5,000 for dormitory construction at El Hogar and \$20,000 to the Light House Shelter Capital Campaign.

Discussion: Which expense budgets are these items coming from? Do these items have to be paid now or in 2009? By vestry action, monies unspent from the endowment are to go back into the endowment, unless the vestry makes a motion to carry those funds forward. El Hogar cannot complete the dormitory and the new semester starts in February.

The motion was amended to approve the \$5,000 for SCAN from the endowment, the \$5,000 for dormitory construction in El Hogar from the designated funds and to hold over the \$20,000 from the endowment budget for the Light House Shelter until 2009.

The motion passes unanimously.

- c) At the November vestry meeting, Stewart Lucas discussed the poor quality of the sound system at SMC. He, Al Todd and James Fitzpatrick put together a proposal for a sound system. It will cost \$18,000 and it will bring sound to the foyer and allow better audio for the hearing impaired.

MOTION: It was moved and seconded that we invest \$18,000 for a new sound system for the church using the 2008 unassigned endowment budget funds. The motion passes with one no.

- d) There are unused funds from the unassigned endowment funds in 2007. They were carried over by vestry action last December, 2007. They went unused in 2007 and they will not be carried over into 2009.
- e) It is expected that \$193,000 will come from the endowment in 2009. That amount is determined by the 3-year rolling average of 5%.

MOTION: It was moved and seconded that we carry over the unspent portion of the 2008 endowment budget. The motion passes with one abstention.

6. Report on Proposed New Members for the Vestry

- a) The members of the Vestry Nominating committee are Stacia Bontempo, John Willard, John Morton, Nancy Saroch and Tim Parker. For the record, the economy seems to be a factor in making a decision to run for vestry. Several remarked that they really needed to focus on their careers right now because of the weak economy.
- b) The committee has identified 6 candidates for the vestry: four were called on by the committee – Christiana Holyer, James Hanrahan, Martha Donovan and Bob Sanderson; one submitted their name for consideration – Carol Auer; and one is already on the vestry, serving out the term of Betsy Lefler – Leah Drooff. There are 2 additional possibilities that have yet to get back to the committee. In all, 25 members of the parish were identified and called about serving on the vestry. Now that all the names have been presented to the vestry, they need to be publicized to the congregation prior to the Annual Meeting.

7. Report on the Profile Committee

- a) Spencer Johnson is chairing this committee. Dave Brown, Jane Piche, Maggy Cullman, Anne Sessions, Tom Bowers, Jim Ferguson, Joe Barsin, Gwen Davis and Carly Wilson will serve on the committee.

8. Report on the Interim Rector Search

- a) Larry Lorton chairs the Personnel Committee. The Committee has recommended a candidate for Interim Rector, who was one of the two initial recommendations from the diocese. If we approve the candidate, they cannot tell their congregation until after the first of the year, so their name would not be able to be shared with our congregation. This individual would not be able to start until mid-February.
- b) The committee presented a formal report to the vestry detailing the candidate evaluation criteria and assessment, the pool of candidates, the candidate assessment process and the final nominee.
- c) The committee recommends The Reverend Lori M. Lowe, Rector of St. Mark's, LaGrange, GA as the Interim Rector for St. Margaret's Church. Some of the skills and characteristics Lori will bring to St. Margaret's are well-crafted sermons based on scripture, related to life and living; strong pastoral relationship with her current congregation; experience in a 'program-sized' church; evidence of working well with vestry; a lot of energy; a sense of humor; good planning and organizational skills, the ability to balance leadership with respect for the skills of the staff and lay leadership; experience with planning, organizing and acquiring space for a growing parish; and a strong advocacy of youth ministry and Christian formation.

MOTION: It was moved and seconded that Lori M. Lowe be called to be interim rector at St. Margaret's Church effective February 2009. The motion passes unanimously.

9. Clergy Report

- a) Dina van Klaveren's farewell is December 28 after the 9:00am service. We are collecting a purse for her. Dina is preaching Christmas Eve and Christmas Day. Stewart is preaching this coming Sunday (12/21).
- b) Tricia's 6-month evaluation as day school director is tomorrow. We are at full enrollment right now.

- c) Nancy White reports that her surgery is postponed until late January or February. She will assist as much as she can prior to her surgery. She really misses serving as deacon but has appreciated all the communication from SMC (emails, newsletters, booklets, etc.) She credits Stewart Lucas with keeping SMC communication strong. She thinks this communication has helped with our pledge efforts this year.
- d) Stewart Lucas reminds the vestry that we need to be more active as leaders of the church since Mark Wastler has left and Dina van Klaveren is leaving.

10. Warden's Report

- a) No report from Junior Warden.
- b) Bud Billups reports that Larry Lorton, George Saroch, Jim Hall and Janice Roper-Graham have done a wonderful job handling our personnel issues at SMC. Bud feels that we have an organization that works very well most of the time.
- c) George Saroch has agreed to continue as Junior Warden in 2009. Larry Lorton has agreed to continue as Chair of the Personnel Committee. The next committee to be formed is the search committee.

11. Old Business

- a) There was nothing to present.

12. New Business

- a) There will be a work party this Saturday from 8:30-11:00am at the church.

13. ADJOURNMENT. There being no objections, the meeting adjourned at 10:01 pm with the singing of the doxology.

Submitted by

//s//Stacia Bontempo

Stacia Bontempo, Registrar

Nota Bene: Opening Prayer Assignments

December, 2008 – George Saroch

January, 2009 – Arvilla Wubbenhorst

February, 2009 – Leah Drooff

March, 2009 – Missy Kelly

April, 2009 – Steve Brennan

May, 2009 – Jerry Smith

June, 2009 – Phil Graham

July, 2009 – Stacia Bontempo