

St. Margaret's Church Westminster Parish



Vestry Minutes Monday, December 19, 2011 Approved Monday, January 9, 2012

1. Opening: The meeting was called to order by The Rev. Peter Mayer at 7:02pm in the conference room of the Administrative building. Leah Drooff offered the opening prayer.

Attendance: The Rev. Peter Mayer, The Rev. Stewart Lucas, The Rev. Sarah Lamming, Bud Billups – Senior Warden, George Saroch – Junior Warden, Gordon Piche - Treasurer, Stacia Bontempo – Clerk, Bill Bird, Dave Boyce, Leah Drooff, David Brown, Wendy Gargano, John Goldthwait, Nate Hall, James Hanrahan, Cathy Mohler, Maddy Munsey, Elizabeth Parker, Bob Sanderson

Absent: Randy Goff, Janice Roper-Graham

2. Minutes: Stacia Bontempo

The minutes of the November, 2011 meeting were reviewed and approved as amended.

- a. Under #2 Minutes, was changed to reflect that it was the October, 2011 minutes that were reviewed instead of September, 2011.
- b. Under #10, add b. The financial committee needs to address the maintenance fund and the contributions to missions.
- c. Add a #13, which says “Dave Boyce brought up the Bishop’s comments about the endowment from our luncheon with him a few months ago.

MOTION: It was moved and seconded that we approve the November, 2011 minutes as amended. The motion passes unanimously.

MOTION: It was moved and seconded that we approve the December, 2011 meeting agenda as amended. The motion passes unanimously.

3. Submitted Reports

- a. Building & Grounds Report, Bill Bird
 - a. The Fire Alarm Contract was given to AFA Protective Systems in Baltimore. Contract inclusive for \$18,063. Total warranty for one year; after one year there is an option to pick up an annual maintenance contract for \$1,395.00 annually/\$348.75 per quarter. Extra is 24-Hour UL Central Station Monitoring: \$300.00 annually/\$75.00 per quarter. Annual Inspections: \$300.00 annually/\$75.00 per quarter required by code. One expense that must be

absorbed by us is the installation of a dedicated phone line for the hookup to the Fire Department required by code. One other possible expense may be a “Nox Box” which may have to be placed in the exterior wall of the school at the front doors. This will hold a key to permit the Fire Department to gain admittance to the building if unoccupied. Otherwise they would have to knock down the doors to gain entrance. This may be required, or not, by the Fire Marshall. It might be paid for by the county if required; to be determined. Work to commence in approximately two weeks. There was a meeting with their Reps, Stewart, Tricia and Bill about any issues involving the school and the church during installation and there were no problems foreseen.

- b. Repair and painting of the basement is finalized. Painting the floor and walls will commence next Wednesday. Insurance is to cover this expense of \$4,400.
- c. A fix is under consideration for the sump pump drain for the Admin Building. One estimate is \$2K.
- d. Bill had a meeting with a contractor for the purchase of a GENSET for the Admin Building today. Just received an estimate of \$6,215.00 from Weisman Power Systems in Annapolis. This includes all installation costs, the unit (a GE 10kw stand-by, propane generator, Mod 40341GE) and permits. This is basically a residential system that will carry most all 110v/120v services including well pump, lights, server, and phones. It does not include HVAC, AIR HANDLER, HEAT, as they are 240v, 3 phase applications and require a commercial Genset starting at \$20k - \$25K minimum. Bill will probably be talking to one more company.
- e. An estimate for removal of the trees around the columbarium was submitted by Peter Gargano. He received an estimate of \$1,600 from Richards Tree Service, which includes removing the 7 trees, cleanup and grinding out the stumps. Replanting of some trees elsewhere is to be considered later.
- f. Bill is investigating the light situation in the church (dimming lights and other controls). There are now florescent curly looking bulbs that are dimmable that can be purchased. These start at \$6.00/unit and go to \$15-\$20/unit.
- g. The bulbs for the sconces in the Parish Hall cost almost \$14/unit at cost each, or \$31.00/unit cost retail. Rexall supposedly gave us the discount this week. These bulbs blow quite frequently - several a month. Bill is looking for cheaper sources.
- h. The church needs to purchase a good leaf blower. This would cost \$300-\$325. Plus it can be used for other things - blowing several inches of dry, soft snow, etc.

4. The Bishop's Visit

- a. The vestry discussed the Bishop's comments at the 'oct' meeting about our endowment. The bishop mentioned that stewardship can suffer if a church has a large endowment. The vestry discussed a possible discernment process to re-ascertain the best use of these funds – perhaps this endowment needs to be looked at every few years to ensure that it's serving our church the best way possible.

5. Vestry Candidates for Class of 2015

- a. Deb Callahan
- b. Martha Donovan

- c. Teresa Todd
- d. Mark Torrence
- e. Eric Naeseth
- f. Emma Smith

6. 2012 Operating Budget Draft

- a. Another draft of the 2012 budget, prepared by Kent Pagoota, was handed out to the vestry. We have 221 pledges in hand making of total of \$728,000 pledged. We're still about 20 pledges short of last year and anticipate another \$30,000 in pledges. The average pledges have gone up 13% over 2011.
- b. The budget will be presented with updated income numbers and voted on at the January meeting prior to the Annual Meeting. The vestry meeting will be moved a week early (1/9/12) to ensure the budget is balanced by the Annual Meeting.
- c. How much cash can a non-profit carry over to another fiscal year? We need to carry over cash for cash flow purposes.
- d. Peter's priorities for the budget are salary adjustments for staff, music, outreach and the maintenance fund. We're within 52k of meeting these priorities. Peter reminds that our congregation has been incredibly generous in our 2012 pledges.

7. Warden's Report:

- a. Endowment Expenditures for 2012 – possible expenditures
 - a. SMDS Scholarships
 - b. Church lighting/parish hall electrical upgrades
 - c. Sacristy refurbishment
 - d. Thermostats (could move to 2011 projects as a better thermostat in the parish hall could result in a cost savings during these winter months)
 - e. Drain for admin basement sump pump
 - f. Maintenance fund
 - g. Parking lot repair/expansion 50 spaces
 - h. Architect for education space needs
 - i. Columbarium cherry tree & stump removal and possibility of replanting different trees elsewhere (could move to 2011 projects or should this come from the cemetery fund or a combination of the two)
- b. Report on 2011 Projects – we'll probably have about \$3,000 left over to spend on possible additional projects.
 - a. HVAC Emergency Replacement - \$6,686.75
 - b. Immigration Lawyer Expenses - \$4,000
 - c. SMDS Scholarships - \$10,000
 - d. French Drain by the School - \$8,000 (need to get actual #)
 - e. Fire Alarm Update - \$18,023 (maybe an addl \$300)
 - f. Web Based Information Technology Service - \$4,500
 - g. Maintenance Fund - \$30,000
 - h. Backup Emergency Generator – one quote for \$6,000 (in progress)

MOTION: It was moved and seconded that the Parish Hall thermostat be replaced using the left-over capital expenditure funds for 2011. This is not to exceed \$600. The motion passes unanimously.

c. Education Building: Teresa Todd

- a. Teresa presented the history of church improvements since 1985. (see attached report)
- b. Temporary classrooms were successful, but they are temporary and need to be replaced.
- c. A committee has been formed and they have evaluated our space needs for adult and children for both the Church and the Day School. We need storage space so these spaces can continue to be shared. We need additional fellowship space, classroom space, a children's chapel, a nursery, staff offices, robe storage, parking, etc.
- d. The committee has reviewed the master plans, congregation comments, site issues, etc.
- e. Past committees have focused on a 500+ size church. This plan was well over budget. Another thought was to expand the existing church (widen), but it changed the overall pitch of the roof and crammed the facility more into the far corner of our property.
- f. 2010 – Teresa Todd came up with another way to expand the existing church that would relocate the church entry closer to the Parish Hall. In planning for an education facility, we need to also think ahead to the layout of the church itself.
- g. 2011 – Discussion of plans to detach the educational building with 12 classrooms (we need 11 for the church). There needs to be a flex space to tie in the educational building and the Parish Hall. Possible idea for day school to have drop-off in the rear of the building. The current education wing would become space for something else – classrooms are too small and it's not handicapped accessible. The Day School needs 6 classrooms with significant storage. Those classrooms would double as Sunday School rooms.
- h. Construction consequences – parking, septic, fire suppression system, new well, additional storm water system, Public Works will probably require Pleasant Plains Rd. improvements/intersection widening through public works, etc. Do we need to take down trees, preserve joust run, move some cemetery plots, etc.?
- i. We need to show the county that we're moving forward with plans for a permanent structure or they could require the removal of the temporary classrooms.
- j. How does the relationship between the Day School and the Church affect this project? There are Day School representatives on this committee.
- k. James Hanrahan suggests that we empower the committee, much like the search committee. The committee is now coming to the vestry for further direction and validation of the spacial and financial requirements of a project of this type. Whatever type of plan we move forward with needs to be affordable. And an architect will need to be hired as well.

8. Rector's Report: The Rev. Peter Mayer

- a. Consortium of Endowed Episcopal Parishes is having an upcoming conference. John Goldthwait and Peter plan to attend. We should also join this organization.
- b. John Willard has been approved for postulancy – what wonderful news.
- c. Vestry meetings move to Tuesday in February.

9. Housing Resolutions for 2012

MOTION: Whereas, section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income (in computing federal income taxes) church-designated allowance paid to him as part of his compensation to the extent used by him for actual expenses in owning or renting a home; and

Whereas, The Reverend Sarah Lamming is compensated by St. Margaret's Episcopal Church exclusively for services as a minister of the gospel; and

Whereas, By St. Margaret's Episcopal Church does not provide The Rev. Sarah Lamming with a parsonage; therefore, it is hereby

Resolved, that of the total compensation paid to the Rev. Sarah Lamming for calendar year 2012, \$23,500 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 \$23,500 as a housing allowance shall apply to calendar year 2012 and all future years unless otherwise provided.

MOTION: Whereas, section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income (in computing federal income taxes) church-designated allowance paid to him as part of his compensation to the extent used by him for actual expenses in owning or renting a home; and

Whereas, The Reverend T. Stewart Lucas is compensated by St. Margaret's Episcopal Church exclusively for services as a minister of the gospel; and

Whereas, By St. Margaret's Episcopal Church does not provide The Rev. T. Stewart Lucas with a parsonage; therefore, it is hereby

Resolved, that of the total compensation paid to the Rev. T. Stewart Lucas for calendar year 2012, \$25,000 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 \$25,000 as a housing allowance shall apply to calendar year 2012 and all future years unless otherwise provided.

MOTION: Whereas, section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income (in computing federal income taxes) church-

designated allowance paid to him as part of his compensation to the extent used by him for actual expenses in owning or renting a home; and

Whereas, The Reverend Peter W. Mayer is compensated by St. Margaret's Episcopal Church exclusively for services as a minister of the gospel; and

Whereas, By St. Margaret's Episcopal Church does not provide The Rev. Peter W. Mayer with a parsonage; therefore, it is hereby

Resolved, that of the total compensation paid to the Rev. Peter W. Mayer for calendar year 2012, \$37,000 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 \$37,000 as a housing allowance shall apply to calendar year 2012 and all future years unless otherwise provided.

It was moved and seconded that we pass both motions and they passed unanimously.

10. Financial Report: Gordon Piche

quote

St. Margaret's Church Westminster Parish Treasurer's Report 19 December 2011

At the end of the month of November 2011, there was \$43,564.53 in the **Operating Savings** account and \$44,544.31 in the **Operating Checking** account. The **Designated** checking account had a balance of \$12,898.40 and the **Rental House** checking account balance was \$2,571.74. It is noted that as of Friday afternoon, December 16, there was \$54,905.09 in the **Operating Checking** account.

On the **income** side of the ledger, through the end of the month of November, the actual yearly income was \$717,036.92 against a budgeted income for the year of \$732,031.67. That is **\$14994.75 under** total YTD budgeted income (*note: YTD = January 1st through November 30th*). Pledge income for the year was \$32,780.54 ahead of budget (\$602,048.33 budgeted and \$634,828.87 received). **All other income categories** (10 of them) except Flower Fund and Cemetery Maintenance **are under budget** with a combined total of (-) **\$38858.77**. The largest deficits occur in line items 4003-Special Offering at (-) \$10,468.33 and 4005-Donations at (-) \$13,096.79.

On the **expenditure** side, through the end of November, we have expended \$745,599.59 (\$732,030.64 budgeted) which **exceeds budget by \$13,568.95**. All categories for expenditure were on, very close to budget or under budget **except** Building and Grounds at \$11,146.66 over budget and Other Expenses (Youth Associate) at \$19,756.00 not budgeted in 2011.

The **net total** or bottom-line as of November 30, 2011 shows a **negative** YTD net income of (-) \$28,562.67 (i.e., actual income less actual expenses). The running **deficit** grew by \$3,887.17 during November.

Gordon Piché
Treasurer

end quote

- a. We should end our year in pretty good shape.
- b. B&G continues to be over budget.
- c. Dave Boyce encourages the finance committee to get a better handle on our gifts and donations for better planning. Those numbers are too big to not have a good understanding of them.
- d. The plate giving is catching up to the annual projection.

11. ADJOURNMENT. There being no objections, the meeting adjourned at 9:05pm with the singing of the doxology.

Submitted by

//s//Stacia Bontempo

Stacia Bontempo, Registrar

Nota Bene: Opening Prayer Assignments
TBD for 2012