

**Minutes of the Vestry Meeting
Tuesday, April 12, 2011**

Present: Nelson Frick, Holly Hem, Sue-Ellen Johnson, Beth Leonard, Larry Mendoza, David Mintz, *Junior Warden*, Grace Schmidt, *Senior Warden*, Wyn Schuh, Jonathan Trail, Bill Shreve, *Treasurer*, Lavonne Bieber, *Clerk* and The Rev. Janet Wheelock, *Interim Rector*

Guest: The Rev. Canon Linda Taylor – St. Mark’s Episcopal Church

Absent: Beto Casellas

There being a quorum, the meeting was called to order at 7:15 p.m. The meeting began with Prayer.

Item of Business #1 – Consent Agenda

The March Vestry Meeting Minutes were removed for an amendment. The Electronic Access to St. Timothy’s Accounts and E-mail Communication Process were removed for further discussion at the May Vestry Meeting.

March Vestry Meeting Minutes - Holly asked the last two sentences under Interim Rector’s Report regarding Youth Ministry be removed.

Motion: To accept the March Vestry Meeting Minutes as amended.
Moved: Larry Mendoza
Seconded: Jonathan Trail
Passed unanimously

Item of Business #2 – Process for Healthy Conflict

The Rev. Canon Linda Taylor gave the Vestry a short course in Conflict. The purpose of the presentation was to leave us with resources to:

- Recognize the stages of unmanaged conflict
- Identify how unmanaged conflict shifts thinking, feeling, behavior and relationships
- Identify options for managing conflict
- Identify own responses to conflict
- Identify constructive responses to conflict
- Identify the impact of unconditionally constructive strategies on conflict
- Open a conversation about conflict you are experiencing
- Find assistance in resolving a conflict

She noted there are two key things to remember 1) It is never too late to talk and 2) Trust grows when agreements are made and kept.

Item of Business #3 – Interim Rector’s Report

Janet noted that St. Timothy’s has been selected to be a Field Education site for a student from seminary. This individual will be with us for 35 weeks at 10 hours per week. She will be mentored by Janet. She will be preaching, doing coordination of outreach/community advocacy work and a variety of “other duties as assigned”. The cost would be \$2,000 which would be paid to the Episcopal Divinity School in Boston. The money is used to fund future field education positions. The Episcopal Divinity School will provide our student with a small stipend for her time spent with us.

Motion: To approve \$2,000 for the Field Education position using funds from the savings from the purchase of the new copier.
Moved: Beth Leonard
Seconded: Jonathan Trail
Passed unanimously

Janet also noted that we need to document policies and agreements. The Wardens will meet with Janet to identify a list and from that we can form a Procedure & Process sub-committee.

Janet also noted she will take one week of her vacation the week of May 8th.

Janet also reminded the Vestry about maintaining a safe environment at St. Timothy’s and for those who were not able to attend the March 26th training on Safeguarding God’s Children and Safeguarding God’s People to attend one of the upcoming sessions. She also noted that any member involved in ministries with children must have this training.

Holly distributed the Children and Youth Ministry Status Report prior to the Vestry meeting. She noted right now we are on a volunteer basis. She proposed three options that the Vestry could consider:

Option 1: Continue with ministry teams leading both family ministry and youth ministry. This will involve a recruitment effort on the part of leaders as both ministries are not fully staffed. It also seems the best possible outcome from this strategy would be maintenance of the status quo.

Option 2: Hire a part time youth minister and a part time family minister coordinator. These people could work to coordinate these two ministries but our experience shows that part time employees are not able to commit enough time to sustain these ministries as they have other time commitments and may not be able to take a week away from their other work for activities such as vacation bible camp and mission trips with youth. It is also difficult to get the longevity of service that we hope for with part time employees.

Option 3: Step out in faith and work to fund, search for and hire a youth and family minister who would coordinate these two programs, reenergize these ministries and help us as a parish care for the youth and children entrusted to us.

Motion: To authorize Holly and Wyn to co-chair a Family and Youth Ministry Search Committee to develop a job description and salary package to hire a full-time Family and Youth Minister.

Moved: Holly Hem

Seconded: Grace Schmidt

8 Yeas and 1 Nay – Motion Passed

Item of Business #4 – Treasurer’s Report

Bill reported that St. Timothy’s operates on a cash basis. Our operations are funded by our monthly revenue. Our operating reserves consist primarily of our prepaid pledge and temporary restricted accounts, accounts that the Vestry has set aside for special purposes. This amounts to a total of between 2 to 3 months of current expenses. We also have \$14,700 in permanently restricted funds which are intended to provide an endowed cushion for our operating expense budget as this account grows. Revenue from this account flows into our income. We have two outstanding major liabilities, the Rectory Mortgage and our 2010 General Fund Deficit. The Rectory Mortgage with Wells Fargo is an interest only variable rate loan with a current balance of \$295,566. The remaining principal is due 3/15/2016. We pay the interest and a small principal payment from our operating budget and Rectory Rental payments.

The General Fund Deficit was generated when we paid for operations by borrowing from the other funds we have reserved. The carry-over from prior years to 2011 was \$40,704. In the first quarter, we ran a surplus of \$14,639, so the current deficit is -\$26,065.

First quarter was very good. Our pledges are now 25% ahead of plan. This is largely due to two donations of stock that paid up two pledges for the remainder of 2011. Our plate income is a concern, running 73% behind plan. When we budgeted for plate, we assumed that regular contributors who did not pledge would continue to give at a reduced level to plate. This has not happened. The report also shows a shortfall from the preschool, this is an accounting glitch and we will catch up. Overall for the quarter, income is at 107% of plan and expenses are at 104% of plan.

Details this Month:

Under Revenues:

- 1) Two large pledges received as stock donations
- 2) Other income is negative due to a loss of one of the stock donations from when it was given to when it was sold. (he is currently checking on how this should be recorded in the books)
- 3) Plate is running consistently at 25% of plan.

Under Expenses:

- 1) Salaries and Benefits appear to be off, but this is an accounting issue. The net for salaries and benefits is about 1% high caused by the variations in work by hourly employees.
- 2) Office and Facilities both ran over budget this month – Office: \$7,000 over because we paid property taxes on 3/31 instead of 4/1. Facilities: \$2,000 over because of two months of landscaping charges and a high PG&E bill.
- 3) Rectory Mortgage off for year due to the correction of accounting errors in 2010 on how we entered mortgage principal and interest payments. Not sure why this has had the effect on this line that it has, but is researching it further.

Restricted Accounts:

Bill noted that he has questions on restricted accounts that he needs to get answered before he could answer questions from Vestry Members. His goal is to get the accurate numbers on the current balances and a description of how they are restricted so we know when and how we can use them. This is a work in progress. His hope is to propose that the Vestry remove excess funds from some of these accounts to offset the General Fund Deficit.

Motion: To accept the Treasurer's Report
Moved: Nelson Frick
Seconded: Larry Mendoza
Passed unanimously

Item of Business #5 – Consent Agenda Continued

RESOLVED: The Vestry of St. Timothy's Episcopal Church requests the following individuals be removed as authorized signers on the St. Timothy's Episcopal Church, Charles Schwab account #8411-8944.

David Foster - Member
David Wilde - Member
Dean Liechty - Member
Joanna Shreve - Finance Administrator

RESOLVED: The Vestry of St. Timothy's Episcopal Church authorizes the following individuals to be signers on the St. Timothy's Episcopal Church, Charles Schwab account #8411-8944. These signers may initiate wire transfers to the church's checking account at First Republic Bank, make stock sale orders and otherwise manage the account.

Lavonne Bieber - Clerk of the Vestry
Sue-Ellen Johnson - Member
Nelson Frick - Member

RESOLVED: That the Vestry of Saint Timothy's Parish authorize the execution and implementation of the automatic transfer of principal and interest payments of \$1500 per month from account 5739538519 at Wells Fargo Bank as they become due on our commercial loan # 7328331115,18.

RESOLVED: William Shreve is authorized to negotiate on behalf of St. Timothy's Church for the resurfacing and maintenance of the parking lot with the Cuesta Park Medical Center Partnership.

Bill noted that he will get an estimate of our share of the cost and return to the Vestry for approval before any work proceeds.

Motion: To accept the Consent Agenda as amended.
Moved: Jonathan Trail
Seconded: Larry Mendoza
Passed unanimously

Item of Business #6 – Anything Else

Larry distributed a document which outlines the scope of the responsibilities of the Wardens.

Beth suggested that 50% of the income from the Rummage Sale go to the Children's Guild. It was suggested we discuss this further at the May Vestry meeting.

Grace asked that the Vestry bring one name to the May meeting as a candidate to Chair the Search Committee and names of 4 or 5 candidates to serve on the Search Committee. The Search Committee Chair will also be involved in selecting members to the Search Committee.

Bill noted that we have gone over the Rectory Maintenance Budget for the year and asked that we move the cost for the installation of the new microwave to Capital Improvements.

Motion: To put the cost for the installation of the new microwave in the Rectory to Capital Improvements.
Moved: David Mintz
Seconded: Wyn Schuh
Passed unanimously

There being no further business the meeting adjourned at 9:50 p.m.

Motion: To adjourn
Moved: Larry Mendoza
Seconded: Holly Hem
Passed unanimously

Respectfully submitted,
Lavonne Bieber, Clerk