

**Minutes of the Vestry Meeting
St. Timothy's Episcopal Church
December 13, 2004**

Present: Patrick McCreery – Senior Warden, Hugo Patterson – Junior Warden, Gil Brady, Sam Fouquet, Christine Foster, Annett Inacker-Trail, Becky Mikkelsen, David Mintz, Stephanie Phillips, Susan Slakey, Tom Stolarik, Bill Shreve – *Treasurer*, Tom Six – *Assistant Treasurer*, Lavonne Bieber – *Clerk*, the Rev.'s Kevin Phillips - *Rector* and Maly Adams - *Priest Executive*.

There, being a quorum, the meeting was called to order at 7:26 p.m. after Evening Prayer.

Item of Business #1: Acceptance of November 2004 Minutes

Motion: To accept the November 2004 Minutes.
Moved: David Mintz
Seconded: Stephanie Phillips
Passed unanimously.

Item of Business #2: Treasurer's Report

Tom reported revenues for November were \$12,445 (15.71%) under budget. Year-to-date revenues are at 97.30% of budget versus 98.66% at the end of October. Primary reasons were due to pledges for November being down \$8,285 (16.33%) versus budget. Nursery School and Building use revenues continue to be solid and Plate revenues exceeded budget for the month. Expenses for November were right at budget (actually \$234 under budget). Year-to-date expenses are at 98.94% of budget versus 98.87% at the end of October. Primary reasons, salaries were \$2,730 under budget (salary increases approved by the Vestry for 2004 have not been implemented), Office/Services were over budget by \$2,479, Hospitality was over budget by \$1,259 and other General Administrative expenses were under budget by about \$1,100. For November, we ran a \$12,200 deficit versus budget. Pledge income to date is \$28,000 below budget for the year.

Motion: To accept the Treasurer's report
Moved: Hugo Patterson
Seconded: Sam Fouquet
Passed unanimously.

Item of Business #3: 2005 Budget

Tom and Bill presented four drafts of the budget. Draft 1 was the same as presented in November; Draft 2 reflected one Clergy and reduced pledge income; Draft 3 reflected 2 Clergy, reduced pledge income and reductions in other areas and Draft 4 reflected one Clergy, reduced pledge income and raises given to Staff. After much discussion it was determined that this needs to be communicated to the Parish, to get their input. Patrick will send a letter to the Parish outlining the situation and to invite the Parish to communication meetings. We will have two meetings on Sunday, December 19, 2004 and January 3, 2005, one at 10:30 a.m. and one at 12:00 noon.

Motion: For Bill to prepare the 2005 budget with the \$90,000 deficit to present to the Parish at the Meetings.
Moved: Susan Slakey
Seconded: Stephanie Phillips
Passed unanimously.

Item of Business #4 Vestry Nominations

Maly noted that we currently have 4 nominations. Kevin asked that if there are any other nominations to e-mail Maly.

Item of Business #5 Clergy Housing Allowance

Motion: Whereas, section 107 of the Internal Revenue Code permits ministers to exclude from gross income (in computing federal income taxes) a church-designated housing allowance paid to them as part of their compensation to the extent used for actual expenses in owning or renting a home; and
Whereas, the Rev. Kevin Phillips is compensated by St. Timothy's exclusively for services as a minister; and
Whereas, St. Timothy's does not provide Rev. Phillips with a parsonage; therefore, it is

Resolved, that the total compensation paid to Rev. Phillips for calendar year 2005 shall be at least \$98,900, of which \$49,450 is hereby designated as a housing allowance pursuant to section 107 of the Internal Revenue Code.

Whereas, section 107 of the Internal Revenue Code permits ministers to exclude from gross income (in computing federal income taxes) a church-designated housing allowance paid to them as part of their compensation to the extent used for actual expenses in owning or renting a home; and

Whereas, the Rev. Maly Adams is compensated by St. Timothy's exclusively for services as a minister; and
Whereas, St. Timothy's does not provide Rev. Adams with a parsonage; therefore, it is

Resolved, that the total compensation paid to Rev. Adams for calendar year 2005 shall be at least \$70,000, of which \$35,000 is hereby designated as a housing allowance pursuant to section 107 of the Internal Revenue Code.

Moved: Christine Foster
Seconded: Susan Slakey
Passed unanimously.

Item of Business #6 Discretionary Fund

Motion: To authorize Kevin to use the discretionary fund for contact work such as taking parishioners for coffee, lunch etc.

Moved: Christine Foster
Seconded: Susan Slakey
Passed unanimously.

There, being no further business, and following Words in Passing, the meeting adjourned at 9:48 p.m.

Motion: To adjourn
Moved: Becky Mikkelsen
Seconded: David Mintz
Passed unanimously.

Respectfully submitted,
Lavonne Bieber, Clerk