

**Minutes of the Vestry Meeting
St. Timothy's Episcopal Church
December 11, 2006**

Present: Gil Brady – *Junior Warden*, David Foster, John Harrison, Annett Inacker-Trail, Ross Johnson, Stephanie Phillips, Bill Shreve, Susan Slakey – *Senior Warden*, Tom Stolarik, John Ezell – *Treasurer*, Lavonne Bieber – *Clerk*, The Rev.'s Nathan Speck-Ewer – *Rector* and Maly Hughes - *Priest Executive*

Absent: Darlene Frick and Nan Fuller

Guest: Helen Wooldridge

There being a quorum, the meeting was called to order at 7:17 p.m. with a Collect for Peace.

Item of Business #1: Acceptance of November 2006 Minutes

John noted a correction in the Housing resolution for Maly. The words "at least" should be removed.

Motion: To accept the November 2006 Minutes as amended.

Moved: Tom Stolarik

Seconded: Susan Slakey

Passed unanimously.

Item of Business #2: Preschool

A document was prepared by Helen Wooldridge, Preschool Director outlining the status of the Preschool and had been distributed to the Vestry in advance of the meeting. Helen noted three main reasons for low enrollment; visibility, competition and current Silicon Valley demographics. Helen also noted that the Monday and Wednesday afternoon program for 4 year olds currently has no students, however overall we are actually short 8 tuitions. Helen also included a list of proactive measures that she has already taken. In addition, the Vestry provided Helen with several additional suggestions to improve the marketing of the Preschool, ie, adding the web site to the banner on Grant Road, adding testimonials to the web site and include lots of pictures. Bill also noted that having the correct search key words on the web are key. It was also discussed about starting a Young 5 class to replace the Monday and Wednesday 4 year old class. Stephanie Phillips, Annett Inacker-Trail and Gil Brady volunteered to assist Helen.

Item of Business #3: Treasurer's Report

John reported revenues for November were significantly under budget. Year-to-date revenues are \$59,276 (6.8%) under budget. This is due to pledge revenues \$34,164 (5.8%), plate income is \$15,025 and Preschool is \$7,265 (4.3%) are all under budget. Expenses for November were slightly over budget. Year-to-date expenses are \$33,563 (3.8%) under budget. This is due to salaries were \$2,781 over budget and Office was \$1,772 under budget. We ran a \$21,762 actual deficit versus a budget surplus of \$9,467 for the month. Year-to-date we have an actual deficit of \$25,011 versus a budgeted surplus of \$3,702 in the general fund. Restricted fund balances were decreased by approximately \$3,000 mostly as a result of the payment to Santa Maria Urban Mission for the Gourmet Dinner proceeds. Cash summary we spent \$18,756 more than we brought in for the month.

Motion: To accept the Treasurer's Report

Moved: Susan Slakey

Seconded: Stephanie Phillips

Passed unanimously

Item of Business #4: 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. Nathan Speck-Ewer is compensated by St. Timothy's exclusively for services as a minister; and

Whereas, St. Timothy's does not provide Rev. Speck-Ewer with a parsonage; therefore, it is

Resolved, that the total compensation paid to Rev. Speck-Ewer for calendar year 2007 shall be at least \$84,000, of which \$50,000 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 Hughes is compensated by St. Timothy's exclusively for services as a minister; and

Whereas, St. Timothy's does not provide Rev. Hughes with a parsonage; therefore, it is

Resolved, that the total compensation paid to Rev. Hughes for calendar year 2007 shall be at least \$76,969, of which 100% is hereby designated as a housing allowance pursuant to section 107 of the Internal Revenue Code.

Moved: Susan Slakey

Seconded: Gil Brady

Passed unanimously

Item of Business #5: Stewardship

Maly reported we have received 134 pledges totaling \$659,162. Of those, 15 are new pledges; this is down from last year where we had 156 pledges however she believes we still have a few pledges outstanding.

Item of Business #6: 2007 Budget

John distributed a draft 2007 budget. The Finance committee created 3 budget scenarios, with the primary differences being staffing. Budget A includes youth and family ministry positions and a 3% COLA for all except Maly who will now be reimbursed 7.65% for SE tax; Budget B includes 3% COLA for church staff only and Budget C has no raises (except Maly who will now be reimbursed 7.65% for SE tax). The proposed budget also includes only 3.25% to Social Service Outreach, with a match of 3.25% to Evangelism. John noted that we typically budget 95% of our pledge income to account for unmet pledges and are currently budgeting \$665,000. The Vestry asked that they provide a Budget B which also includes a 3% COLA for Preschool staff. The Finance committee will present the final budget in January for approval.

Nathan also reported that Lee Ann Patterson has resigned as chair of Social Services and that he has spoken with Roy Hayter about the change in the Social Services budget for 2007.

Item of Business #7 – Senior Warden and Vestry Candidates

Nathan announced that David Foster will serve as Senior Warden for 2007. He also noted that Lianne Mintz, Jenny Nathan and Paul Hayter have agreed to run for Vestry for 2007. He is still waiting for confirmation from 2 additional people. We have also been discussing in the past about changing the number of Vestry members from 12 to 10. However, David noted that the By-Laws can not be changed by the Vestry but must be approved by the Parish at an annual meeting. Therefore, it has been suggested that we review again in January and determine if we need a resolution approved at the Annual Meeting on January 28, 2007

Item of Business #8: Vestry Orientation

Nathan noted that the Vestry Orientation or Retreat will be Friday, February 9 and Saturday, February 10 at Redwood Christian. Outgoing Vestry members will not be attending this year.

Item of Business #9: Rectory Agreement Update

David reported that they received a draft copy of the agreement from the attorney however, they have some additional changes. They will provide the changes to the attorney and will forward once they have finalized the agreement,

There, being no further business, following Good news and Closing Prayer, the meeting adjourned at 9:45 p.m.

Motion: To adjourn
Moved: Susan Slakey
Seconded: Stephanie Phillips
Passed unanimously.

Respectfully submitted,
Lavonne Bieber, Clerk