

Minutes of the Vestry
St. Mark's Church Capitol Hill
January 21, 2007 Adams Room
Approved 25 February 2007

Present: **Clergy:** Shearon Williams, Associate Rector
 Wardens: Mike Townsend, Charley Donnelly
 Vestry: Burton Reist, Susan Thigpen (*acting register*), David
 Willson, Eileen Blumenthal, Lisa Sotir-Ozkan,
 Margaret Wood, Kathy Gerhard, Don Mosher, Bruce
 Sherman
 Officers: Pete Carlson, Don Lipscomb, Michael Knipe
 Observer: Louise Walsh (*candidate for Sr. Warden*)

Opening Prayer: Shearon Williams

Action Items and Discussion

2007 Diocesan Convention

Diocesan Delegates John Barton, Raiford Gaffney, and Rick Rutherford reviewed the Agenda for the 112th Diocesan Convention (January 26-27). Rick Rutherford will be running for an open seat on the Diocesan Council. There were no recommendations from the Vestry concerning proposed resolutions.

Players Update

Jerry Dale, President of the Players was present to discuss the Players' proposal and to answer questions. It was recommended that the Vestry approve the Players' proposal to host only 2 performances, delay booking space for rehearsals, refrain from using the kitchen, re-evaluate their contribution to the church and to meet regularly with the Vestry with the following caveats:

1. Establish a date certain for removal of property stored in various places;
2. Enter into a one-year agreement for the 2007-2008 season; and
3. Establish a task force to explore the relationship between the two organizations more fully.

A motion was made to accept the agreement with the three caveats.

A counter motion was made to table that motion until a special meeting or the next regularly scheduled meeting of the Vestry, whichever occurs first to allow time for:

1. The subcommittee on space to meet and discuss more fully the Players' proposal and prepare a report to the Vestry;
2. Establish a date certain for removal of equipment and property; and
3. Establish a task force of specific size and membership to explore the relationship.

Jerry Dale confirmed that it would be ok with him to delay vote until the next regularly scheduled meeting of the Vestry on February 25. The motion to table was approved with 7 votes in favor, 2 against, and 2 abstentions.

Adoption of the 2007 Budget

Treasurer's Report

The 2006 budget cycle closed with a surplus of \$120,000. This was attributed to record numbers of receipts in December, following the implementation of a pledge status reminder in early December, a record \$8,000 received in plate offerings during the month of December, 2 special offerings totaling \$14,000, and expenses for 2006 coming in below budget.

The General and Designated Fund accounts were reviewed. The increase in copier costs over the past 4 years was attributed to changes in the bulletin and increased mailings and other usage. The amount in designated funds is about 3 times greater than it has been in the past, attributable to large reserves in the columbarium, sabbatical, and Penniman accounts. There was a deficit in the Buildings & Grounds account which will not be replenished. Worship and Social Events accounts both experienced greater expenses than receipts; the Christian Ed account was down due to forfeited deposits for classes that were cancelled.

Finance Committee Proposal for 2007

The 2007 Current Services Budget was prepared conservatively, with figures substantiated by historic trends, resulting in a surplus of \$54,951. There was consensus that a sunset date should be established for the hiring of a children's choir director since one had not been found.

There was discussion on the 10 Finance Committee recommendations (Attachment A) for allocation of the surplus funds: \$54,951 from the 2007 budget and \$87,914 from 2006 and clarification was provided that each of these were recommendations for funding *above* that already allocated in the 2007 Current Services budget. Of particular note:

- In addition to the increases in clergy discretionary funds, the Finance Committee should research the feasibility of establishing a business expense account for clergy and the Senior Warden, have it reviewed by counsel, and report back to the Vestry with a resolution for action.
- The tithe is based on pledge income *as well as ALL other income*. The additional reserve of funds is for what is anticipated to be a one-time significant jump that will come due in 2008, based on the jump in 2006 income from pledges and special gifts.
- St. Mark's needs 2 full-time clergy to address cleric, pastoral and adult education responsibilities, necessitating hiring of a full time youth director.
- The \$5,000 for an outside review of Baxter House structure is probably low and will need to be revisited.

Our current approach to budget planning has been from the perspective of “maintaining.” It was recommended that there be a concerted effort to shift to a perspective of strategic planning – where strategy is integrated into the budget process and marketing of the budget take place during the canvass, so that parishioners understand more fully what the financial needs are.

A motion was made to accept the recommendations of the Finance Committee, which was unanimously approved following the unanimous approval of two additional motions:

1. \$3,000 from item 10 (Parish Reserve) be allocated to the *Gospel* so that it can be professionally printed and mailed; and
2. \$800 from the Parish Events line be earmarked for the growing group of 20s and 30s. This group is encouraged to become more fully integrated into the fabric of the community.

The issue of surpluses was discussed, and attributed to “pent-up giving” – there were gifts of approximately \$100,000 above pledges made in 2006, and thought should be given to how to direct this untapped capacity for giving.

Planning Items

Exploration of Sunday Morning Subcommittee

Small group discussion will replace the usual Sermon Seminar as an experiment on January 28, to allow discussion of the community sabbatical experience.

Paul’s Return on February 4

There will be a single 10:00 am service with a Children’s Reflection. Mimosas will be served in the Parish Hall while the Nave is re-set for a lunch discussion with Paul. There will be a dinner for the Vestry with Paul on February 18.

2007 Annual Meeting

Motion to approve the resolution establishing time and date of the 2007 Annual Meeting as 10:00 am on April 15 was passed unanimously (Attachment B). The Nominating Committee – both Wardens, the 3rd Year Vestry Class, and 2 parishioners (Rita Ossolinski and Susan Sedgewick) was approved. Class assignments, a timeline, and nomination forms and background were distributed.

Jr. Warden’s Report on the Library Conversion

A contract for conversion has been signed. Motion to approve a resolution to request a gift from the Hoitsma Fund, through the Endowment Board, was made and the resolution was approved unanimously (Attachment C).

Investment Accounts and Finance Subcommittee on Cash Management

A resolution authorizing the Treasurer to open a new money market account and to explore additional investment options to allow for better management of and return on cash flow was approved by electronic vote prior to the meeting. (Attachment D)

Motion to approve a resolution transferring authority for opening all bank accounts from the Vestry to the Finance Committee, creating a Finance Subcommittee on Cash Management to manage cash flow and investment accounts, and establishing guidelines for the investment of funds was unanimously approved. This will enable the investment of additional cash reserves in instruments with a higher return. (Attachment E)

Rector's and Associate Rector's Housing Allowance Resolutions

Resolutions approving both the Rector's and the Associate Rector's Housing Allowances were approved. (Attachments F and G)

Approval of Minutes

The November 2006 minutes, as amended at the December 2006 meeting were approved, as were the minutes of the December 2006 meeting of the Vestry.

Closing Prayer: Pete Carlson *see text attached*

There being no further business, the meeting was adjourned.

Respectfully submitted,

Susan Thigpen
Member of the Vestry
Acting Register

Closing Prayer offered by Pete Carlson

O Gracious God,

We give thanks for the abundance of spirit that is flowing through our church community, and pray that we can continue to nurture it.

We give thanks for the abundance of gifts that have put our church on such a solid foundation, and made our work so much easier today.

We give thanks for the leadership of Mike and Shearon, who have literally carried this church on their backs for the past six months.

This would have been a very different journey without them

As we look forward to Paul's return with great joy and anticipation, we ask for your help in managing the inevitable turbulence that will also be a part of reintegrating him into our community.

Give us the wisdom, the grace, and the good humor we will need to all grow together as we reunite after journeying apart for such a long time.

And help us practice what we preach by truly engaging in conversation with open hearts and open minds, seeking first to understand, then to be understood.

We ask these things in your name.

ATTACHMENT A: Finance Committee Recommendations

Allocation of Surplus in 2007 Budget	\$57,300
1. 2.7% Cost of Living increase to clergy & staff	\$10,038
2. Increase Kathrine Ebert's salary (incl. benefits)	\$10,262
3. Hire Youth Director (full time at \$40,000, ½ year)	\$20,000
4. Replenish Building Replacement Reserve	\$12,000
5. Replenish Clergy Discretionary Fund	\$ 2,000
6. Increase funding for Gospel/Communications	\$ 3,000

Allocation of Surplus from 2006 Budget	\$87,914
1. Hire outside consultant to study and make recommendations on Baxter House restructuring	\$ 5,000
2. Increase Worship budget to \$10,000 total	\$ 6,000
3. Set aside additional funds for Keith's sabbatical	\$ 5,000
4. Set aside funds to maintain 10% Diocesan tithe	\$16,500
5. Put remaining surplus in Parish Reserve fund	\$52,414

Attachment B: Annual Meeting Resolution

Whereas the Bylaws for St. Mark's Episcopal Church Capitol Hill provide for an Annual Meeting to be held on the Friday evening immediately following Easter Sunday or on such date and time within three weeks after Easter as the Vestry appoints by resolution; and

Whereas the Vestry has elected to follow the trend established in recent years to hold the Annual Meeting on the first Sunday morning immediately following Easter; therefore

Be it resolved that the 2007 Annual Meeting for the election of Wardens, Members of the Vestry, and a Lay Delegate shall be held on Sunday, April 15, 2007 immediately following a single 9:00 am service.

Approved by vote of the Vestry on January 21, 2007.

Attachment C: Request for Funding from the Hoitsma Fund

The Vestry requests that the Endowment Board make available, from Funds Available for Disbursement from the appropriate endowment, sufficient funds to complete the enclosure of the undercroft library for use as a classroom.

Approved by vote of the Vestry on January 21, 2007.

Attachment D: Money Market and Investment Resolution

Given that we have a large cash balance in the Vestry checking account that could be earning income for the church if invested in other ways, the Vestry authorizes the Treasurer to open a new money market account and to transfer all cash not needed to cover monthly expenses into that account as soon as possible.

The Vestry further authorizes the Treasurer to explore other investment options for those funds that could earn still higher rates of interest and to come back to the Vestry with a proposal for maintaining a checking account for monthly expenses, a money market account for managing cash-flow, and investing the remainder.

Circulated to the Vestry on January 12, 2007, approved by electronic vote of the Vestry, and reported as approved on January 21, 2007.

Attachment E: Resolution to Vest the Authority to Open Accounts and Invest Cash Reserves in the Finance Committee and a Subcommittee

In order to provide increased flexibility in the management of cash reserves, it is recommended that the Finance Committee be given the authority to open accounts and transfer funds in the name of St. Mark's Church, subject to the following conditions:

1. that any funds moved from the currently approved depository accounts at National Capital Bank not exceed \$100,000 in any one institution in order to preserve the federal insurance maximum (except for earned interest including compounding which would incrementally increase an account slightly above the \$100,000 limit);
2. that funds shall only be placed in federally insured institutions located in the Continental United States, or placed in U S Government instruments (bonds, Treasury bills) that are totally liquid in the U S domestic market;
3. that no placement of funds or purchase of US Government instruments shall have a maturity of longer than one year without the express permission of the Vestry;
4. that all instruments including certificates of deposit, money market accounts, or government securities can be liquidated without delay and on demand (these delays differ slightly but typically are less than three business days, and early withdrawal penalties, if any, are typically less than accrued interest);
5. that a clear cash flow plan is generated in advance by the Finance Committee who will use their best judgment in forecasting the cash needs and income receipts from the Parish and will consistently maintain a conservative cash balance in the checking account for regular and unexpected cash needs;
6. that transfers of funds from and to the General Fund will only be by check, ACH transfer, or fed wire and may be authorized only with the written authority of the Treasurer and two designated members of the Finance Committee, and that the Church's bookkeeper will be consulted about the plan and agree that adequate liquidity is available; (note that any dissent on the part of the bookkeeper, the Treasurer, or designated members of the Finance Committee shall cause the movement of funds to be halted and shall be referred to the Vestry for consideration); and
7. that the Finance Committee create a "Cash Management" sub-committee, which shall include the Treasurer, plus two additional Finance Committee members, with overlapping terms to ensure that there is, at all times, at least one year of experience by a serving sub-committee member in cash management procedures.

Approved by vote of the Vestry on January 21, 2007.

Attachment F: Rector's Housing Allowance Resolution

Whereas, Section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income (in computing federal income taxes) a 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 Paul Roberts Abernathy is compensated by St. Mark's Episcopal Church, Capitol Hill, exclusively for the services as a minister of the gospel; and

Whereas, St. Mark's Episcopal Church, Capitol Hill, does not provide the Reverend Abernathy with a rectory, therefore, it is hereby

Resolved, that \$45,092.00 (forty-five thousand and ninety-two dollars) of the total compensation paid to the Rev. Abernathy for calendar year 2007 is hereby designated to be a housing allowance.

Approved by vote of the Vestry on January 21, 2007.

Attachment G: Associate Rector's Housing Allowance Resolution

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

Whereas, the Reverend Shearon Sykes Williams is compensated by St. Mark's Episcopal Church, Capitol Hill, exclusively for the services as a minister of the gospel; and

Whereas, St. Mark's Episcopal Church, Capitol Hill, does not provide the Reverend Williams with housing, therefore, it is hereby

Resolved, that \$48,000.00 (forty-eight thousand dollars) of the total compensation paid to the Rev. Williams for calendar year 2007 is hereby designated to be a housing allowance.

Approved by vote of the Vestry on January 21, 2007