 

St Margaret’s Episcopal Church Vestry

Subject: Minutes 19 December 2023

Attending: Peter Mayer (Rector), Patti Sachs (Assistant Rector) -Z , Kristen Berthelotte (Senior Warden), Paul Schurke (Junior Warden), Kathy Wiernicki (Treasurer), Jim Barnett (Temporary Clerk), Dave Boyce, Matt Chasse-, Kathy Lang, Alden Gross, Janice John-Z, Mary Holstine, Carol Williams, Chris Prender, Susan Roberts, Dan Tootle-Z, Ernie Tucker, Lana Keelty and Elizabeth Radley (Director of Operations)-Z.

 (\*Z indicates Zoom participation)

Absent: Austin Canuel.

All reports have been submitted on Realm.

1. Opening prayer was given at 7pm by Mary Holstine.

2. The minutes from the November meeting were approved as amended. The presence of a quorum was noted. In a prior meeting the Clerk advised that all reports would be reflected on Realm and will be noted in the minutes and no longer attached to approved minutes.

3. **Submitted Reports**

**A.** **Treasurer’s Report: Kathy Wiernicki**

Operating results for period ending November 30, 2023 report revenues in excess of expenses of $2,668.90, this is cumulative income for 2023 through the end of November. This amount is well ahead of the year-to-date approved budget through the end of November, $107,136.60. Pledge receipts are currently ahead of budget by $81,538.53. Donations continue to run behind budget by $(22,130.58). All budgeted expense areas except for Building and Grounds continue to run under budget. This unfavorable variance is primarily due to ongoing HVAC maintenance issues in the Day School, increased cost of trash removal and additional fall clean up and trimming work. Maintenance problems will continue to escalate as systems age. This is particularly true of our aging HVAC system.

The operating checking account is running low and will need an infusion from the Endowment to meet payroll and additional required charges. While we are not in arrears, it will be prudent to move $25,000 at this time to anticipate the January 5th pay day.

**MOTION: That $25,000 be moved from the Endowment to the Operating Checking Account before the end of the year.** Passed unanimously.

It is understood that any amount not required will be returned to the Endowment and so noted.

The treasurer remains “comfortable” with where we are.

 **B. 2024 Budget discussion led by the Treasurer.**

The budget contains a recommended 6% COLA increase as well as specific raises for staff. This will not be complemented by substantive bonuses later in the year. We have a good staff and we need to let them know we appreciate all they do for us.

Line 5065 “Miscellaneous Services” increases significantly to $3,000 (from 2023 approved $700). Trash collection and the pickup of recycle bins has increased significantly. We could hire more unskilled workers to pick up the many branches that fall from our significant trees. We are going to need to remove significant stuff from the basement and this will also add to the cost. Hopefully, we can take it back down in 2025.Line 7180 “Assoc. for Contemporary Music” increases to $12,000 as we hope to hire to this position in May 2024. This is not a full time hire but looking at something around 15 to 20 hours per week. We want a good package to get the right person.

Line 6076 “Digital and Print Media Assistant” is required because with Laura’s departure, the staff has picked up the load and this is simply not a good solution. This part-time position is budgeted at $8,000 for about 10 to 15 hours per week. This part time employee will handle bulletins and take our live streaming to another level as well as enhance our social media presence. The Rector reminded the Vestry that the Director of Music would be taking his sabbatical from May to August 2024

Line 6502 “Staff Bonuses” increases $5,000 with the hope that the two part time positions are filled.

Line 5110 “Altar Flowers” increases from 2023 budgeted $5,000 to $6,500 requested for 2024. This number may be reduced from “designated funds” that traditionally come in across the budget year but we need to approve this number and then add the funding back in as possible.

We anticipate the pledge campaign will come in at around $940,000, a bit below our target of $990,000. We will not have an actual “income” number until around the end of February 2024. The budget as proposed is for $1,211,750.55. We will be calling parishioners in February to “gently” request that they consider increasing their pledge. We would like to gain about 142 to 145 “pledge units” from this effort. There are about 50 parishioners who seem to be remaining quiet. That having been said, we are ahead of where we were last year at this time. Giving and commitment are very complex issues. Pledging last year was low and it looks stronger this year. Donations seem to be running about right. As you can see, the budget is a jigsaw puzzle. We need to pass a “preliminary budget” now and then reevaluate in February based on how it plays out. Lines 4002 and 4005 (Pledges and Donations) remain conservative. We may have to review cuts in February as we see how it plays out. If we pass this budget, we lock in big ticket items: permanent employees’ pay will be locked in. New hires will be reviewed. We will need a new Contemporary Music director in May. There will be things we can reduce in February if need be. The Director of Operations continues to review the Day School contribution.

Line 5620 “Missions” budget request remains consistent with 2023 at $16,000. That’s like a base amount and we may need to look at increasing this number. We need to look harder at available Grant potentials that are out there. Missions has grown significantly from “designated” funds and that is not reflected in the proposed budget. It was suggested that a parish our size should be able to expend more in this regard but the Vestry was reminded that we do not fund several things that we should. We move forward as we can.

We need to get a budget for Capital improvements. The list of potential opportunities was presented but more fidelity needs to be put into the actual costs. We need to understand the things that need to get done. These things are funded from the Endowment but still need to be understood. They need to be ranked in priority and against a timeline of requirement. The process for funding Capital Projects will be reviewed.

**MOTION: That the preliminary budget for 2024 as presented by approved as a working budget.** Approved unanimously.

**C. Rector’s Report: The Rev. Peter Mayer**

**MOTION:** The Rector introduced the **Annual motion to approve housing allowance for the Rector and Associate Rector**

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

**Whereas, Peter Mayer+ is compensated by *St. Margaret’s* exclusively for services as a minister of the gospel;**

**And Whereas, *St. Margaret’s* does not provide Peter Mayer with a rectory, therefore, it is hereby Resolved, that the total housing allowance paid to Peter Mayer for calendar year *2024* shall be $38,600 added to his annual compensation; and it is further**

**Resolved that the designation of *$*38,600 as a housing allowance shall apply to calendar year *2024* and all future years unless otherwise provided.**

And:

**Whereas, Section 107 of the Internal Revenue Code permits a minister of the gospel to exclude from gross income 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, Patti Sachs+ is compensated by *St. Margaret’s* exclusively for services as a minister of the gospel; and**

**Whereas, *St. Margaret’s* does not provide Patti Sachs with a rectory, therefore, it is hereby**

**Resolved, that the total housing allowance paid to Patti Sachs for calendar year *2024* shall be $27,139 added to her annual compensation; and it is further**

**Resolved that the designation of 27,139 as a housing allowance shall apply to calendar year *2024* and all future years unless otherwise provided.**

**Passed unanimously.**

**D. Day School Report – Kathy Lang**

The school pageant will be tomorrow.

We continue to negotiate the shared costs.

**E. TRR Report – Dan Tootle**

A brief slide show was presented.

There was a meeting with representatives from the Annual Fathers’ Day Foundation, the Asbury Broadneck United Methodist Church (ABUMC) of Annapolis and SMC. A draft letter to the community from SMC expressing “apology” for past transgressions related to equality was received positively. They gave SMC a sketch of the Severn River signed by those in attendance. There needs to be a draft MOU with the same approximate language. It is hoped that we can evolve into a “Partnership Development Plan.” Reparations remain an option. Scholarships remains an option in this regard. ABUMC has established a repository of Black history on the Broadneck Peninsula. They have proposed a “noncompetitive grant” from the SMC Grants process specifically for them. There was significant discussion with respect to the administration of an applicable scholarship. Are there other Social Justice organizations on the Broadneck that SMC should connect with?

 **F. Annual Meeting preparation report.**

The Annual Meeting will be held on January 28th per the by laws. The theme is “less is more.” We will use precise and targeted statements to that effect. Written reports need to be submitted two weeks before the meeting. We have five candidates for Vestry from which four will be elected. They will be introduced/presented in some fashion before the Annual Meeting.

 An option was presented to move the program forward such that lunch would start at 1130 with the meeting beginning at 1200. This may require some changes to the morning church program and the Rector will take that under advisement. The Rector was positive but congregation notification is still an issue.

Thoughts on a Childrens program need to be vetted with Emily.

**G. Vestry Retreat Report** – Mary Holstein, Lana Keelty, and Carol Williams

Binders with appropriate containment will be generated as in the past. They will also be published in digital format. The date is currently 10 Feb., 2024.

**H. Junior Warden’s Report – Paul Schurke**

Sanctuary temperatures will be lowered as appropriate when it is unoccupied. The JW will move forward with a project list as sited above. He is looking at a two tiered approach 1) Capital Improvements, 2) other things.

1. **Senior Warden’s Report – Kristen Bertholotte**

The Outreach council continues to meet. They would like to expand participation.

Long Range Planning continue to meet. Matt Chasse has joined the group.

Much applause for the Senior Warden’s performance…she will be missed. The Rector is working on that.

4. Adjourn

The meeting was adjourned at 8:50 pm with a Happy Thanksgiving and Safe Travels

Faithfully,

Jim Barnett

Temporary SMC Clerk