

APPROVED
St. Matthew's Episcopal Church
Minutes of Vestry Meeting
December 18, 2007

Opening Prayer. Lucinda opened the meeting at 6:35 p.m. and led us in prayer followed by the Building the Spirit Prayer. Those in attendance were Rector Lucinda Laird and Associate Rector Jim Trimble. Vestry members present were Steve Cherry, Shannon Frey, Jan Garver, Jim Moyer, Peter Bell, Lee Fletcher, Jay Lambert, Matrid Ndife, Sharon Nesmith, Edie Nixon, Greg Petrites, Bill Stodghill, Linda Wardell, Dwayne Watson, and Bev Weis. Youth representative Michael Lambert was absent.

Reflection. Greg reflected on a favorite children's television program of his, called the "Ray Rayner and Friends." He liked the show because things were not always perfect that were created on the show. He understood that to mean, that each of us has different qualities and gifts. Greg believes that we have been presented with all the tools and materials we need to create something uniquely ours to present to God. If we pour out our hearts into all we do, our offering will be received with love by God.

Minutes. Sharon moved and Peter seconded the acceptance of the October 16th and the November 13th minutes. The approval was unanimous.

Agenda Items. Lee requested that his Building the Spirit Statistics Report be added to the agenda. Lucinda thanked the vestry for her 25th anniversary gifts of silver cross necklace and earrings.

Rector's Overview. Lucinda thanked Steve, Shannon, Jim, Linda and Edie and the Finance Committee for all their work to sort out details of the 2007 and 2008 budgets. She announced that pledges are up by about \$35-40,000 from 2007. However expenses are also up because of increases in staff, cost of living increase for staff, and in expenses for the new, larger church plant. Also at this time, we do not know about two sources of income from 2006, which increased funding in the 2007 budget. They were a surplus of \$45,000 and income of \$101,000 from the Endowment current use funds. At the time of this vestry final 2007 meeting she proposes that we accept a deficit budget, but plan that in January the 2008 budget will be balanced.

Lucinda further proposes that at the February 1-2 vestry retreat, three task forces be formed 1) to study a capital campaign to end the debt, 2) to plan for the use or sale of the white house, and 3) to make decisions about same sex blessings at St. Matthews. Further, the wardens, treasurer and Lucinda plan a breakfast meeting with the bishop. The suggestion box should be left out for January 2008, and Jim Moyer will design a motion for the vestry's approval to finalize our position on same sex blessings.

Financial Report. Jim Moyer reported on the November Financials. He is unsure how the current national financial markets will affect end-of-year giving. Expenses over the last two years have been very stable. The staff is prudent and frugal in their use of

budgeted funds. However the variability comes on the income side of the budget, and that is where our focus needs to be. Currently we are \$10,000 ahead on the income side of the budget. Last November we were \$78,000 behind in receipts. This year we are only \$48,449 behind in income receipts. For Fuel, Light and Water, we have spent \$15,490 less than was budgeted in this category of expenses. Attendance has been lower than expected in November; but the average Sunday attendance for the first three weeks in December at 431 worshippers is the best recorded since 2001.

Endowment Report. Edie reminded us that all funds coming in, unless designated to the Endowment Fund, have been directed to the building fund. Cash and investments in the endowment on 12/31/07 are similar to those invested in 12/31/06. The endowment paid \$16,000 in interest on the building loan for 2007. Neither the Dimensions in Faith nor the Outreach gifts have been dispersed thus far this year. Due to the soft stock market, our withdrawing funds from the endowment may have a negative effect on its balance. In 2007 5% of the endowment principal was added to the budget. This year the finance committee and rector suggest that a 10% of the principal be rolled to the 2008 budget.

2008 Budget. Jim Moyer presented the 6th draft budget arrived upon by an interactive process between the parish committee leaders, wardens, rector and finance committee. Members of the finance committee are Jim Shirrell, Bev Weis, Greg Petrites and Jim Moyer. Jim reported that currently we are projecting an operating budget deficit of approximately \$70,000-\$72,000. On the **income** side in 2007 a significant part of our operating budget was a carry forward from 2006. This \$45,000 from 2006 was roughly 5% of our 2007 budget. Until the books are closed in January, we will not know the amount of a 2007 budget surplus or deficit. It is projected that income from the endowment will be smaller in 2008 by approximately \$15,000. We expect a pledge income increase, but it may not cover the two areas of shortfall from the carry forward and the endowment income. On the **expense** side, there will be significant increases. These will come from salaries paid for a full calendar year for our Associate Rector Jim Trimble and Youth Director Ben Linder, and a new sexton, and projected staff and clergy 3% cost of living increases. Building maintenance and grounds expenses will be significantly higher in 2008. The 2008 budget includes a 17.5% diocesan pledge of \$141,785 to support mission parishes. The pledge is calculated against the second previous year's income, which for 2008 will be 2006. 2006 saw an increase in income, which results in an increase to our 2008 pledge dollars, even though the percent remains constant.

In summary, this proposed 2008 budget shows some decreases in income, and some increases in expenses, leading to a projected deficit. As of tonight's meeting the current pledge total is \$722,650, which is up \$36,000 from 2007. Pledges continue to come in through January. Total expenses projected in 2007 are \$888,789 and in the Dream Budget for 2008 are \$942,687. This creates a 7.96% deficit of (\$69,537). The vestry will be informed by Ruth Kempf by our January 15 meeting what the surplus or deficit from 2007 will be.

Edie suggested and Bill seconded a motion to increase endowment percentage to roll to current budget. "The 2008 budgeted expenses exceed the income by a considerable amount. This is due to investment in growth coming prior to the increase in pledged income. I move that we roll 10% of the principal to current use in 2008. We, the vestry, know that this amount exceeds the previously agreed upon policy that was passed in 2002." After extensive discussion, the vestry approved this motion unanimously. Jim Moyer made a resolution that the parish pays its diocesan pledge at the 17.5 % level in 2008. Steve seconded the motion. The resolution was passed unanimously.

Building the Spirit Statistical Report. Lee reported that as of November 30, pledges and gifts now total \$2,836,116 and therefore, we have now surpassed our original "challenge goal." Eighty-nine pledges have been completed which equal 40% of total pledges. Increases to pledges or new gifts including special memorials during 2007 are \$148,752. A 3% discount to gifts/pledges is currently being figured for pledges that will not be honored, thus we can realistically expect not to receive approximately \$85,000. With that in mind we currently projecting that we will receive \$311,884 by 2011.

Building the Spirit Financial Report. Linda reported that our total assets as of 11/30/07 are \$383,228. Our total net assets are (\$1,656,721). The bulk of our payment for materials has been made. We retain \$9,754 owed to Reese Design and \$25,000 owed F.W. Owens until their punch lists have been completed, including a settlement regarding the damaged sanctuary carpet. Probably new expenses, which were not in the original budget, will be for a Saints Hall guardrail (\$4,000), door closers (\$1,500) and sound absorbent material for Saints Hall (\$8,000). Our interest rate will be recomputed in January, and will become a fixed rate. It is now at 5%. The exact rate will depend on the established 5-year U.S. Treasury Note rate. For the second year, a parishioner has agreed to make the Marmion loan payment of \$12,000.

Task Force Report: Ministry Offices. Matrid announced that we have found a probable tenant for one of the ministry offices. Roger Dutschke, parishioner Ali Ahern's father, heads the Housing Foundation, a 501c3 non-profit charitable organization. Subject to the approval of Angela Koshewa's and Shannon's vetting of the rental agreement, the vestry unanimously accepts the Housing Foundation as a tenant with its contribution of \$90/month to rent the office for the duration of one year. They will provide their own phone and computer system. The foundation provides grants to Iraqi Veterans for housing and works with the state Habitat for Humanity organization. Lucinda remarked that we are supporting this ministry and it then becomes a ministry of St. Matthew's. We plan to have zero profit with this arrangement.

Nominating Committee Report. Jim Moyer praised Shannon and the nomination committee members (Jay, Lee, Bev, Jenice Carolan, Ellen Robertson and Jim) for their diligence, support and hard work to put together the slate of vestry candidates for 2008. The following are the nominees:

Lauren Becker

Sue Bridge

Linda Collins

Becky Donovan
Ken Mertz
Rhody Streeter

Marty Lawfer
Pat Mulloy

Nancy Loucks
Clay Smith

Five of these candidates will not be elected. Lucinda encouraged the vestry members to seek out those who are not chosen and thank them for running and for their gifts of service to St. Matthews. They will be invited to undertake other long-term projects for the parish.

Outreach Committee Report. Steve shared chairman Bob Huffman's outreach committee report. The committee will have \$14,500 to disperse. The vestry unanimously accepted the recommendation of the outreach committee. Bev advised the vestry that the committee entertains requests for gifts to local, national, and international organizations and makes its decision after much discussion and thought as to the amounts and organizations chosen. The following are the proposed disbursements for 2007:

Society for the Increase in Ministry	\$1,500
Seminarian Assistance	500
St George's Community Center to be used for Freedom School	2,000
Kentucky Refugee Ministries	500
Clothe-A-Child	2,000
Interfaith Paths to Peace	500
Home of the Innocents	1,000
Episcopal Church Home Women's Board Scholarship Fund	500
St. Matthews Episcopal church Mission trip to New Orleans	1,500
Hearts 4 Kenya Agriculture Project	4,500
Total Disbursed	\$14,500

New Business. Vestry officers for 2008 have open senior and junior warden positions. Jan will be willing to serve as secretary and Greg has agreed to serve as treasurer.

The vestry agreed to designate as Housing Allowance the following proportions of the clergy salaries.

Lucinda at \$22,000
Jim/Ben at \$18,000
Helen at \$20,000

Rector's Report. Lucinda showed the vestry the two red stoles from which Ann Vouga will select one as a gift for her becoming a deacon. Her first assignment will be to St. Mark's Episcopal Church. She will then be finishing her final semester of training at Virginia Theological Seminary. Lucinda announced plans for the various Christmas and New Year's Eve Services.

January 20 is the date for a neighborhood “end of construction open house.” Tours, music, balloons will be part of the 2-5 p.m. festivities. The vestry will be asked to participate in this and the 5 p.m. service, which will focus on Dr. Martin Luther King’s ministry. Committee members who are planning these events are Lucinda, Ann Miller, Barbara Ellis, and Jim Trimble. Pat Mulloy’s brother, Tim Mulloy, has volunteered to do publicity for this event.

The Annual Parish Dinner will be held on Friday, January 25. The Annual Parish Meeting will be held on January 27th. The vestry members who are retiring this year, and their significant others, are invited to dinner at Lucinda’s following the 5 p.m. Service on the 27th.

Closing Prayer. “A Prayer fro the Evening” from A New Zealand Prayer Book was led by Greg.

The meeting was adjourned at 8:55 p.m.

Respectfully submitted,

Jan Garver
Vestry Secretary