

**Finance Committee of the Vestry
Saint Michael and All Angels Church**

Draft Minutes, February 7, 2012

Present: Christine Ashmore, Bill Felder, Kathy Kelley, Suzanne Lipscomb, Alan Pierce, Van Sheets, Treasurer, Jim Smith, Jim Spellings, Matt Waller

Ex-officio present: Rob Baber, Director of Accounting; Bob Dannals, Rector; Kyle and Nancy Moore, Stewardship Chair; Jeff Rice, Foundation President, Charlie Sartain, Senior Warden.

Absent: Todd Hart, Randy Kob, Ron Staffieri

1. Approval of agenda and November minutes

The agenda and the January 17, 2012 minutes were unanimously approved.

2. Update from the SMAA Foundation meeting regarding grant requests

Mr. Waller reported that the Foundation had approved grant requests that the Vestry had approved in January on advice from the Finance Committee. These were: 1) a request from the Maintenance Fund for the renovations to the restrooms in the North Hallway; 2) a request to fund the new ministry of Lay Ministry Engagement; 3) a request to fund an expansion of the Parish Nurse program in Pastoral Care; and 4) a request to fund the installation of signage to complete the Wayfinding Project. The Vestry and the Foundation trustees discussed the proposed request to fund a new initiative in Digital Media for the Communications Department, and agreed on the importance of finalizing that request soon.

3. Stewardship update

Mr. and Mrs. Moore reported activities near the end of the stewardship campaign for 2012, which included targeted letters and emails to groups of parishioners who had pledged for past years but not yet pledged for 2012. The average pledge is up from previous years, but the number of pledges received is lower. Based on the efforts thus far, pledges were projected to total roughly the same amount as for 2011. Charlie Sartain mentioned the Giving Council is finalizing their report which should be available in April or May. This report will put an emphasis on giving to the church and should have positive effects on Stewardship in the later half of 2012 and specifically for the 2013 Stewardship season.

4. Review of January 2012 pledge revenue including prepaid pledges from 2011

The committee reviewed projected revenue from pledged and unpledged contributions, prior year pledge payments and plate, and considered the recent years' history of pledge overpayments and defaults. Based on this, 2012 revenue was projected to be \$4,944,000.

5. 2012 Budget

The committee reviewed the next-to-final spending budget, which reflected: 1) a salary freeze for 2012, 2) compensation reductions of 5%, which would reduce otherwise planned 401(k) contributions to lay staff, and other compensation cuts to clergy (whose retirement plan is a National Church defined benefit pension), 3) significant deferred maintenance on facilities, and 4) about \$90,000 in reductions to spending that had been requested by the ministry areas. Based on projected revenue, even with the proposed

spending cuts, the budget would reflect a deficit for 2012 of \$46,000. This budget deficit is actually small given the true amount of additional revenue needed for a strong budget would be closer to \$400,000.

The committee discussed the risks of budgeting a deficit, and reached a consensus that the best course would be not to budget spending cuts beyond those already proposed, but to monitor both revenue and spending during the year, with an eye on possible spending changes that could balance the budget by year end. The committee also discussed the congregation's possible perceptions regarding a budgeted deficit, and concluded that the issues could be communicated so the congregation would understand that church finances were being managed responsibly.

The committee agreed to recommend the attached budget to the Vestry.

6. Requests for fundraising, restricted funds and Foundation grant requests

There were no new requests.