

St Michael & All Angels Annual Meeting

January 29, 2023

Call to Order: Fr. Lee Lowery opened the meeting with a prayer.

Candidates for Vestry: Patrick Reilly asked for nominations from the floor. There were no nominations.

- Patrick Reilly introduced candidates: Chris Alvarez, Jack Knight, Dale Lange, and Barbara Koenig. The congregation voted “yes” for confirmation by acclamation.
- Patrick introduced the Delegates for Diocesan Convention: Marian Frear and Teresa Neudecker. Again, the congregation voted “yes” for confirmation by acclamation.

Fr. Lee’s Remarks:

- Fr. Lee stressed that it has been a joy, a blessing, and a privilege to be Interim Rector at St. Michaels. He thanked the staff and Vestry and everyone for the gifts of generosity. Since the Church is in transition so is everyone and everything. This is not something to be feared rather as something that helps us discern what God is calling us to do. Parishes are living, growing entities. This parish is growing. There are newcomers and the parish needs to welcome and incorporate them into the “Body of Christ.” There are also those participating online which is a great blessing. Last week we discussed with the parish the financial challenges of the parish. He hopes that every member of the parish is aware in at least broad terms the finances of the parish and takes ownership of the situation. He hopes that we will recognize this financial challenge and move on into the ministries that God has given us to do. That is the healthiest and most satisfying and most faithful response.
- Fr. Lee pointed out that all the ministry reports are online. He suggested that a ministry might be calling for our participation. Everyone has a ministry and not all ministries are for everyone else. For those who have demanding weekdays, one might consider a Sunday morning ministry. He ended with a wish that parishioners bring joy and thanksgiving into their lives.

Finance Report:

- Overview: Evelyn Hanneman provided a slide presentation to review last year’s finances. We started last year with a \$116,000 deficit plus and ended up with a surplus of \$60,000. That happened because the pledges were up a significant amount of around \$35,000 and \$34,000 from other contributions. We had savings from the rector’s leaving and some savings in lay personnel when our parish administrator did not start until 2023. We saved \$14,000 in administrative expenses and renegotiated contracts.
- SMAA Day School: The School ended in particularly good shape because of extra money with Covid. Since the state is focusing on early childhood education, there has been

state monies also. Tuition was down due to the change in directors and some sense of upheaval. However, enrollment is going back up. The church did many capital improvements, and some were school related. The school had the money to reimburse the church line items to help with some of that cost. So instead of a surplus of \$42,000 they had a surplus of \$43,000 at the end of the year.

- Casa San Miguel Food Pantry: It has dedicated funds. Food costs have been going up and those receiving food has also gone up as well. It has been difficult to find some food items. There was a \$6,000 deficit.
- Capital Fund: We had many projects in 2022. Parish Hall Remodeling, playground updating for safety, new windows for lowering fuel costs and stuccoing were some of the projects. There was \$125,000 set aside for this work and most of that was spent. There were a few projects left for this year.
- Money Management: We have not had a full complement of staff over the last 4-5 years and because of that, we now have extra cash reserves of around \$330,000. We have some of that invested in unrestricted money. We have 4 1/2 months of prudent reserves. We have cash, equities, rolling treasury bills which we roll over every 6 months and money market funds.
- Endowment: Endowment is a restricted fund used for capital needs and ministries. We have lost approximately \$100,000 in the last year. This year there is \$14,000 that can be used for capital expenses or non-budgeted missions. Ministries have been asked to see if they have use for that money.
- Current budget: Our budget shows that pledges increased 7.75%. and giving is expected to increase to 10%. On the other hand, personnel and payroll costs are expected to increase by 20% because of health insurance and Mandy's curacy position. Our Fair Share to the Diocese is going up a significant amount. We have put money into the discernment process for a new rector and when we hire a new rector, we may have to help them move.

This year we will see a deficit of \$168,000. The \$330,000 set aside gives us a little breathing room, but we intend to raise the money to pay expenses. The Finance Committee went over this budget very carefully looking for savings. The budget was taken to the Vestry and they approved it.

- Fr. JP Arrossa addressed a few questions. There is about \$332,000 in unrestricted cash and we have \$440,000 in restricted cash which is held for the capital fund, the school, and the Food Pantry. These are donations with a temporary restriction placed on it by the donor. As we meet those restrictions, the money that is left is then deemed unrestricted or the restriction is lifted and we are able to use it for other needs. We have these funds invested in ETF, treasury bills and equities. We had about \$8,000 in unrealized losses last year due to the increase in interest rates. The rate increase on treasury bonds has helped us. He explained how EFT, with its socially responsible investing, brings our interests and those of the wider church together. Restricted and

unrestricted funds is about \$772,000. That amount may change when we get the national church's last report.

- A question: Has there been a recommendation from the Vestry about how much of the unrestricted cash can go meet the deficit? Fr. JP explained that the Vestry did approve the usage of these funds for the deficit.
- A question: Could there be a calculation for every attendee based on the deficit that could then be collected? As the Finance Committee and the Vestry discussed possibilities, it was decided that a second ask was not agreeable. The question is how to have conversations about the financial health of this community. This discussion is tied to our spiritual, physical and psychological health. The Vestry asks that we have better conversations around stewardship and finance and what money means to the church. Money follows mission. If we are doing the work that God calls us to do, money will fund us. We have to do the work. We could attract other to join us.
- Fr. Lee added that we have no excess cash. We might be able to reduce the deficit if 1) we call a local rector and save moving costs and 2) we could have savings in the insurance and pension areas. The important thing is for us to have a plan. We are to be as faithful to worship and ministries as we can and the church will grow in a positive way. Not a plan to take to the bank, but Fr. Lee is sticking to it.
- Fr. JP concluded by encouraging parishioners after reading the materials presented to ask questions of him and Evelyn.
- Evelyn followed up by encouraging people to look into the details and ask questions.
- Fr. Lee informed the group that all these slides, the videos, and the budget are on the website

Discernment Committee:

- Elizabeth Forester, co-chair with David Odegard, shared where we are in calling a rector. Fr. Lowery came on as interim rector in August. The Discernment Committee was commissioned on November 12. They met with Canon Lee Curtis to understand the process and timeline. They formed listening sessions in December and January. They synthesized the results into the Office of Transition Ministry Profile (OTM) which explains who we are and what we are looking for in a new rector. The OTM will be used when reaching out to candidates. The OTM will be presented to the parish February 12-15. Elizabeth thanked the committee and praised them for being deeply passionate about this process.

Video Reports by ministries are located on the website.

Appreciation Awards:

- Fr. JP presented appreciation plaques to Bill Kirtley and Tom Hall for their years of service to Casa San Miquel Food Pantry. Jake Van Der Geest will assume leadership.

Outgoing Vestry Members Appreciation:

- Marian Frear, Teresa Neudecker, Vangie Wells, and Margie Polito. Patrick highlighted their many contributions and thanked them for their service.

Senior Warden:

- Fr. Lee asked Patrick Reilly to be Senior Warden. He thanked him for his service.

Adjournment and Prayer:

- Fr. Lee provided a closing prayer and meeting adjourned.

Minutes provided by Nancy Searles, Clerk, January 29, 2023