

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

Minutes
Of the 7:30am meeting on Thursday, April 13, 2006

Present:

Allen Lassiter, Treasurer
David Martin, Sr. Warden
Sharon Alexander, Jr. Warden
Giffen Weinmann
Robert Wilson

Cullum Clark
Missy Boone
Howard Templin
John Harris
Jay Grogan

Also Present: Priscilla Owens, Jay Young

I. Approval of the March minutes

The minutes of the March meeting were unanimously approved.

II. Financial Review

Review of March 2006 Financial Statements

Total Revenues:

March revenues were \$338,954 or \$10,598 under budget due primarily to timing differences in anticipating current year pledges and unpledged contributions, partially offset by higher prior year pledge collections for the period.

Outreach: Outreach was \$78,443 or \$10,166 under budget due to the timing of allocations from the M/O Committee which will be made later in the year.

Total Expenses: Total expenses were \$284,050 and were \$100,605 under budget due primarily to

- Timing of the payment of expenses
- Favorable budget variance in Operations of \$11,746

Revenue less Expenses: Revenues were \$23,539 less than expenses for March as Compared to the \$123,713 deficit that was budget for the month. Most of this difference can be attributed to the delay in spending for the boiler replacement project as expenditures for that project were \$92,162 less than budgeted. These expenditures will be made later in the year.

YTD Through March

YTD Total Revenues:

\$1,994,121 revenues; \$232,525 over budget

- Fairly equally distributed among early payment of pledges plus higher collections of prior year pledges and other income.

YTD Outreach:

\$231,331; \$34,500 under budget

YTD Total Expenses:

\$830,863; \$127,154 under budget

Revenue less Expenses: \$931,926; \$394,179 better than budget, although it is mostly the function of timing differences which puts us in a favorable cash position for the time being.

III. Old Business

- The Committee reviewed the status of the Capital Campaign which presently is at \$6.5 million raised and gives us a shot at keeping the loan amount to close the Michaelson purchase at \$3 million. As of this date a relatively small number of parishioners had been contacted in earnest.
- The Committee discussed the status of the Michaelson property purchase and the expected priorities in allocating the funds from the Campaign. After the Michaelson purchase, the debt reduction at both Frederick Square (8100 Lomo Alto) and Douglas Square (Michaelson) are the top priorities and followed by the purchase of the street to complete the northern property expansion package.
- The Committee reviewed the status of the Facilities Audit expense expected for the year. The boiler bids are just about complete with preliminarily favorable results versus budget but actual expenses will be unknown until construction is well underway. Currently there is \$200-\$300 thousand programmed for expenditure in the 2007 budget in accordance with the Facilities Audit.

IV. New Business

- Finance Committee liaisons to department and affiliate organizations were assigned.
- A preliminary preview of the 2007 budget was presented by the Treasurer and reviewed by the Committee. It is anticipated that the 2007 Total Expenses will be approximately \$400,000 higher than the 2006 budget to accommodate new ministry and staff hired in the 2005 and 2006 period, 2006 merit and cost of living raises in effect for a full 2007 year, anticipated increases in program costs

due to inflation and the costs expected to be incurred in the Rector Search process. The result is an increase of approximately 9% to be expected in 2007.

- The Committee reviewed changes in the Discretionary Funds policy as prescribed by the Junior Warden and the Committee voted unanimously to approve such changes.
- The Committee unanimously approved an increase in the spending authority to \$35,000 for the design of the Columbarium expansion on the Southeast portion of the current church property.
- The Committee reviewed preliminary financial aspects of the Strategic Plan as they will be presented to the Vestry for further consideration. In the 2007-2011 period a total of 9 new ministry and staff personnel are envisioned for the purpose of substantially expanding virtually all the Parish programs over this period. This is a 21% increase in personnel which is required for the substantial increase in programs that have been in turn recommended by careful polling of the entire Parish. Increases in the budget of 15%-20% in the out years may be anticipated as a result of implementation of the Strategic Plan, subject to approval by the Vestry of course. Minor increases in the budget are anticipated in 2007 due to the Strategic Plan but begin to build in late 2008 and 2009. Jay Young, Priscilla Owens and the Treasurer will seek to better quantify the full costs of the Strategic Plan as it continues to develop. The implementation of the Strategic Plan is of course dependent upon increased stewardship results which will be the objective of the Stewardship Committee in the 2007 Stewardship Campaign to begin in the next few months.

V. Adjournment