

St. Andrew's Vestry Minutes
10/25/2022
Special Budget Work Session

Members Present: Fr. Jeff Packard, Julie Breuninger, Carolyn Donaldson, Barb Downs, Tom Hall, Paul Hochreiter, Michele Marini, Amy Pritchett (online), Sharon Rovanseck, Sandy Schwartz, Fran Stevenson

Members Absent: Kitty Mussett, JudithAnn Rule

Officers Present: Julie Kwasnica

Guests: Linda Mace

Clerk: Kevin Lowe

Call to Order: 6:11 p.m.

Opening Prayer - Fr. Jeff

Draft 2023 Budget Assumptions:

- all staff get 8.7% increase
 - appropriate adjustments for Major Medical/Medicare, 2023 rates for medical insurance
 - updated building insurance
 - adjustment for copier
 - 10% increase for two energy lines
 - some other adjustments based on usage
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- These budget lines will change if adjustments are made to salaries: Total Staff Salaries; Med ins, pension, disability; Employer Social Sec, Medicare
 - Proposed budget shows a significant shortfall between income and expense, although we still have endowments and 2020 surplus savings account

Discussion

- Endowments are down significantly, as are the bond markets; we probably do not want to draw further upon endowments that are already down in value
- COLA adjustment question
 - Should we be giving COLA increases at all?
 - For comparison PSU is giving 2.5% increases this year
 - Past experiences with not giving increase; effect on staff morale?
 - Larger effect of COLA raises on full-time employees than part-time
- Buildings and Expenses
 - Would the Community Cafe contribute to operating budget (utilities etc.)?
 - Can the building be monetized? Building improvements needed
- Strategic Planning
 - Building plans / increasing income
 - Planned giving
 - Need to consider ministry priorities in order to answer these questions
 - Staffing needs and reevaluating positions?

Motion: Tom Hall; 2nd Michele Marini—see below. Discussion ensued. Interest in changing the COLA increase amount. **Motion to amend: Paul Hochreiter; 2nd Fran Stevenson—Change COLA increase**

to 6%. Discussion ensued. **Motion to amend passes 7-3, with no abstentions.** Discussion of amended motion ensued. **Amended motion passes with no abstentions or dissensions.**

Motion:

Therefore, with respect and prayerful consideration, knowing full well that we are fiduciaries and stewards of past and future generations of Episcopalians in Central Pennsylvania, we propose the following three-part motion:

- 1) Authorize the Finance Committee to prepare the 2023 budget to include the ~~8.7%~~ **6%** COLA for all employees, with the awareness that this requires excessive withdrawals from the appropriate Endowment Account(s) and that such withdrawals are not sustainable and are detrimental to the long-term viability of our finances and, therefore, our parish.

- 2) Establish an ad-hoc committee charged with looking at ways to increase income, reduce expenses, streamline operations, improve efficiencies, et cetera, in the very short term. Nothing is off limits. The committee is to make specific recommendations to Vestry by March 31, 2023 so that Vestry can take immediate action, if possible, to reduce the budgetary shortfall for 2023.

- 3) As a Vestry, embark on a new 5-10 year strategic plan to guide fiscal, investment, property, program and other decision-making in the longer term, recognizing that without realistic and relatively balanced annual budgets we place our long-term prospects at risk. This strategic planning should be completed by the end of the 3rd Quarter of 2023, to help the Finance Committee as it develops the 2024 annual budget.

Meeting adjourned, 7:47pm

Minutes submitted by Kevin M. Lowe, clerk