

Vestry Minutes
The Church of St. Michael and St. George
6345 Wydown Blvd., Clayton MO 63105

Thursday 1/23/25

Vestry Members in Attendance: Joe Sheehan, Bill Jenkins, Rachel Martens, Peter Smith, Matt Aplington Rachel Hebisen, Frankie Eichenberger, David Ott, Nancy Reynolds, Gale Patterson, Lindsey Stokes, Stephen Eisele, Will Springer, Mary Katherine Ray

Clergy: The Rev. Andrew Archie, The Rev. Peter Speropulos

Staff & Guests: Alexis Posnanski, Laurie Brown

PROCEEDINGS

Fr. Peter led the group in an opening prayer.

Notice of the annual meeting was given by Fr. Andrew, who also reminded those assembled of a brief Vestry meeting immediately following the annual meeting this Sunday in St. George's chapel.

Consideration of FY25 Budget (Treasurer's Report)

- David Ott presented the draft budget for fiscal year 2025. A more formal presentation and review of the budget will be given in March for the benefit of new Vestry members. The Treasurer's presentation included a review of FY24 actuals, variance analysis, and forecast adjustments that comprise the FY25 budget.
- David noted that FY24 actual results were favorable to budget, as increased unplanned gifts more than offset unfavorability in TSMSOC school net operating revenue.
- The Senior Warden noted that while experiencing fiscal years that are cash flow positive (such as FY24) are helpful to the balance sheet, they are not always required given overall balance sheet strength, including endowments. Overall endowment growth has been robust over the past 15 years due to both market returns and additional gifts.
- Net asset release for FY24 included organ-related revenue, but the income statement does not yet reflect certain associated organ-related expense items. Accordingly, FY24 operating income results appear artificially high due to timing impacts.
- The overall budget reflects a net operating surplus of approximately \$100,000 for FY25.
- TSMSOC is budgeted to pare back operating losses from FY24 to FY25 under the direction of the new Head of School, who is doing an outstanding job. Focus in FY25 will be on recruitment of additional students, assisted by re-branding as St. Michael's Episcopal Day School in the summer of 2025.

- The infant-toddler program is currently full, with a waiting list. Another program room is planned to come online in FY26. Certain associated expenses are already reflected in the FY25 budget.
- Contractually required progress payments for the new organ are scheduled for March, August, and October of 2025. The capital campaign associated with this project is set to launch at the annual meeting on Sunday.
- The concept of pay transparency was raised, and the Vestry and Clergy discussed the approved diocesan pay range, the results of the most recent pay benchmarking analysis, and the annual diocesan audit/agreed procedures process.
- Vestry members asked questions about various other line items of the budget and their relationship to certain balance sheet items.
- After robust discussion, a motion was made and seconded to approve the budget for FY25 as presented. A vote was taken and the motion carried unanimously.

Rector's Report (the Rev. Andrew Archie)

- There was no Rector's Report, but the Rector thanked everyone for their questions and contributions at the meeting, particularly those members whose service on the Vestry is ending with this meeting.

New Business

- There was no new business raised

The Vestry adjourned with the Lord's Prayer.

Reviewed and respectfully submitted,

Matt Aplington, ad hoc Clerk of the Vestry