

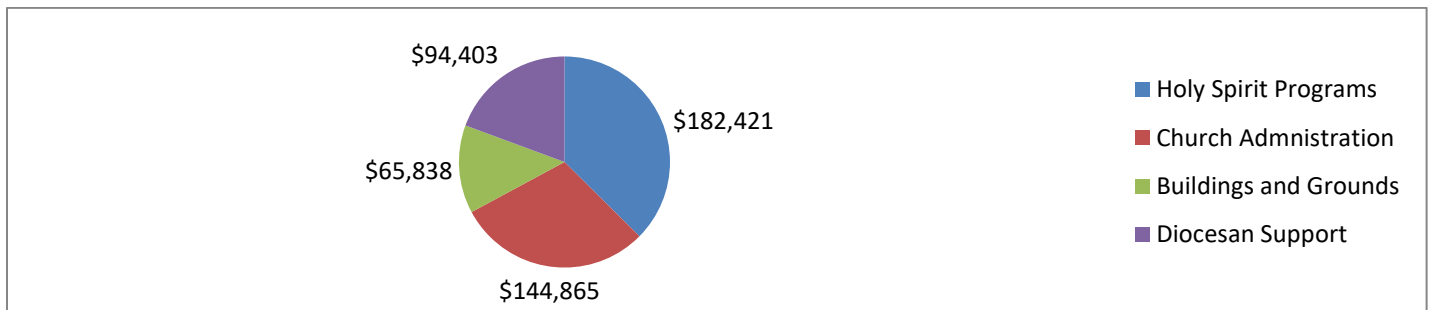
## Vestry Budget Shortfall Information from the Annual Meeting, January 27, 2019

To the People of Holy Spirit,

This information is from your Vestry and is intended to inform all parishioners of one especially important subject covered at the Annual Meeting.

Finance and budgeting are one of the key Vestry activities, especially currently as we begin a new year. Our responsibility includes ensuring the long-term financial viability of the parish. The Vestry believes that our 2019 budget reflects both the vision and mission of Holy Spirit Parish, and the needs of the congregation. However, it is sometimes useful to have a “reality check” with our parishioners, and that was what we wanted to accomplish at the Annual Meeting – starting with an opportunity for all of us to understand what’s covered by our budget.

Let’s start with how we spend our funds. Our total budget for 2019 is \$487,527, distributed as follows:

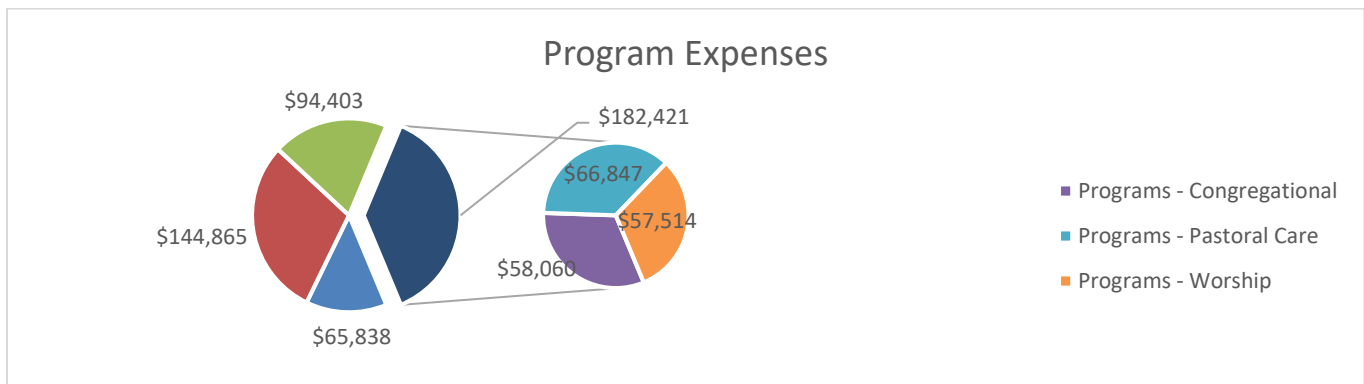


Moving counter-clockwise from “noon,” we have the funds we contribute to the Diocese of Montana and The Episcopal Church (known as the Assessment). This contribution is common to all Episcopal churches in the country, recognizing that we are not simply a “congregational” church and that we receive support from both a Bishop and Diocesan staff and the “national” church. It is especially important for Holy Spirit to support the Diocese of Montana, as we are one of the largest parishes in the Diocese.

Funds spent on Buildings and Grounds cover the types of things you would expect: taxes, insurance, utilities, lawn care and snow removal and repairs and maintenance. We clearly have a responsibility to maintain the facilities which have been left for us by those who went before,

Office and administration account for 30% of our total spending, and the great majority, nearly 90%, of this is for salaries, for the wonderful people who keep the Parish going. It is also important to note that this is more than simple parish administration. It includes the excellent communications we enjoy: The Spirited Times, the Paraclete, all the posters that keep us informed about church events, the art work on our website and Facebook pages. In addition, a portion of these salaries are oversight and guidance of many of the activities and ministries undertaken by volunteers, in a sense, an extension of pastoral care – it is frequently difficult to draw an exact line between administration and pastoral care.

Turning now to the largest portion of our spending – Holy Spirit programs:

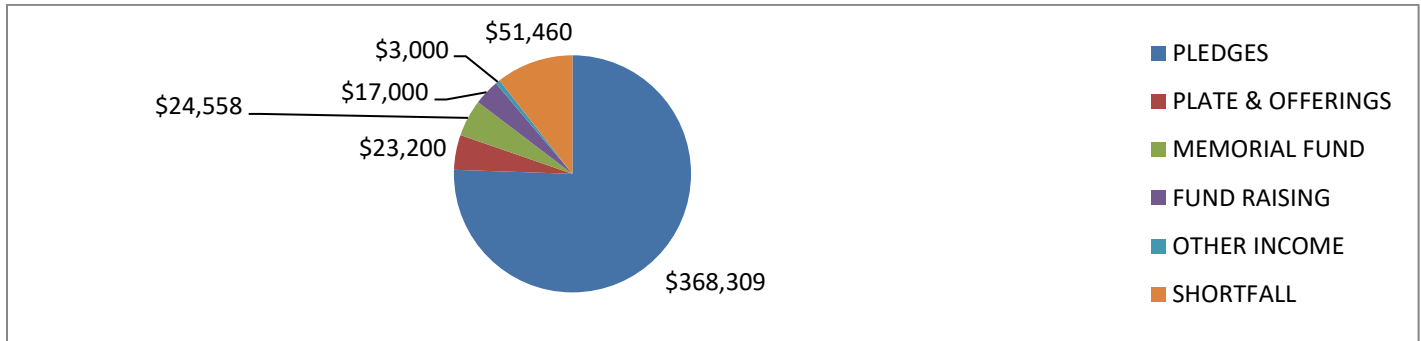


Pastoral care – caring for parishioners who need any kind of support from our clergy and our church -- amounts to about one-third of our program spending and is clearly an important part of our mission.

Worship, including our excellent choir and music program and the cost of a portion of Rev. Terri’s time and other Supply Clergy, also represents just a little less than one-third of our program spending.

The remainder of our program spending supports spiritual formation – including Church School, adult education and workshops and retreats – outreach to the community, mainly through the Social Concerns Committee, our Youth program and the many social and fellowship activities which take place during the year.

Turning now to the source of our funds:



We can easily understand why our annual pledge drive is so important to Holy Spirit, as it represents over 75% of our income. And it should be noted that 2019 is showing improvement on recent years, in terms of both funds pledged and number of pledgers (or “Pledging households”). This is very good!

Unfortunately, we can also see that the budget for 2019 includes a “shortfall” in the income needed to cover our expenses. And this is critical because we have been operating with a shortfall for many years, and the funds to cover this shortfall are coming out of the Church’s savings. These are funds which have been donated to Holy Spirit by faithful parishioners in the past, and the Vestry feels that it is not proper to continue to spend these funds to cover current shortfalls – this is not the reason that our predecessors made these donations.

So, we asked two questions of parishioners at the Annual Meeting:

1. Are there Holy Spirit programs which they feel are no longer necessary, and can be cut? The Vestry would not like to do this – we would prefer to “dream” and to develop programs which satisfy more of our parishioners and attract new people to Holy Spirit – but the question must be asked.
2. Can all of us prayerfully consider reaching into our pockets just a little deeper, to cover this shortfall now and in the future? Considering that we have 190 pledging units at Holy Spirit, we would be asking for only \$5.30 a week from each one (\$275 / year). This small additional effort would make a world of difference for Holy Spirit and would represent a small effort for many of us – a couple of cups of latte per week, or one six-pack of beer... or however you might want to think of this in terms of your personal life.

We do sincerely realize that this sacrifice might not be possible for some, and we respect that and are grateful for what they already do for Holy Spirit. At the same time, we hope that others will be able to be somewhat more generous, and we can cover the entire shortfall.

A pledge card has been sent out with a shorter letter about this need. We are asking all parishioners to consider an additional pledge to cover the shortfall and respond by February 28, 2019. The Vestry will use the response from these additional pledges to decide what next steps need to be taken and will keep all informed on the results. The Vestry is hopeful that Holy Spirit will solve this on-going problem and free us all up to dream about how Holy Spirit can even better live out its Vision and Mission in the future!

May God bless you all!

The Vestry