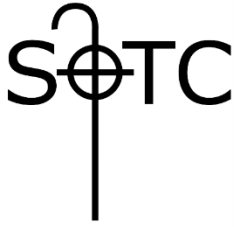


SOTC 2022 Budget Addendum



In order to provide further information regarding the decisions made in formulation of the 2022 budget, please review the following information. This budget, as presented here, has been recommended by our Congregational Council for review and adoption by the congregation. Discussion and vote on the budget will take place during our Congregational Budget Meeting on Sunday, November 21 following worship.

Overall Notes

- In the past year, a new team - Administration and Finance - has begun working so as to support the Council in their administrative roles. Therefore, as that team will help in oversight of administrative costs, budget lines from Council's 2021 budget have been reallocated to the Administration and Finance Team for 2022.
- Similar to our 2021 budget, some line items have been zeroes, and other line items have been added. When teams were formulating their proposed budgets, they were encouraged to consider, "what resources do you need to continue sharing the Good News of Jesus?" In some respects, teams' answer to that question has remained unchanged as compared to previous years. However, some teams have found that to continue stewarding God's Kingdom at Shepherd, resources are needed for things that may not previously have been a part of our budget.
- Finally, on the whole, you'll notice that our overall 2022 budget is slightly higher than our 2021 budget.

Detailed Explanation of Portions of 2022 Budget

Education

- The line item for background checks has been increased from 2021 to 2022. Per our Children and Youth Protection Policy, we run a background check on all volunteers working with children/youth every three years. We expect to re-check 7 leaders in 2022, costing about \$25/each.
- The line item for Bibles has been increased from 2021 to 2022 based on our children and youth rosters for those who are 3-years-old, in 3rd grade, and beginning our Confirmation/FINK program.
- The line item for conference/training has been increased from 2021 to 2022 with the hope of being able to support lay leaders in attending an ELCA Youth Leader training in Minneapolis along with Pastor Aleese. This is done as a way to empower leaders within our congregation and community.

Worship and Music and Altar Guild

- Similar to 2021, these two teams' budgets have been condensed as they work closely together and expenses often overlap.
- The line item for copyright fees has been increased from 2021 to 2022 as we now support two copyright licenses: CCLI and One License. This allows us greater flexibility in our worship.
- Budgeted amount for the line item of supply pastor has increased based on the increase of suggested compensation for pulpit supply pastors (in 2021, was \$150/service; increased in 2022 to \$200/service)

Property

- Budgeted amount for landscaping was increased from 2021 to 2022 so as to maintain, and add to, the area on the east side of the building.
- The line item for general maintenance has been increased so as to provide a buffer for unexpected building costs. In 2021, our water heater needed to be replaced on short notice. So as to respond to incidents like this, the Property Team is recommending an increase in the amount of money allocated to general maintenance and repairs.
- Mindful that the cost of utilities is uncertain, and with the potential rise of gas prices in the near future, the line item for utilities has been slightly increased.

Stewardship and Evangelism

- Similar to 2021, these two teams' budgets have been consolidated as Stewardship has been overseeing areas of evangelism. Further the Stewardship Team has found that their work closely relates with evangelism as they focus on three main tasks: to 1) tell the story of the mission of this congregation, 2) thank the congregation for their work in pursuing that mission, and 3) ask for financial support of our shared mission.
- Since we now have a copier that has the capacity to print in color, we no longer need to outsource printing of advertisements and brochures. Therefore, that line item has been zeroed.
- Since some households have moved to electronic giving, we no longer need as many offering envelope sets. Based on the number of households using offering envelopes, we do not need to order another set for the coming year; rather, we can use the extra envelopes we have from 2021.
- Finally, the Stewardship Team strongly recommends that we maintain our commitment to the greater church and continue offering the same amount of money to the synod (and ELCA churchwide) to support ministries and initiatives outside of our congregation.

Technology

- As we saw in 2020 and 2021, the use of technology is on the rise. So as to continue as a viable entity in our current context, it is imperative that we update our equipment and allocate appropriate resources to fund further technological improvements. For that reason, the line item of "AV Supplies" has been added to

the budget. In 2021, we were blessed with a \$2,000 grant from the Southeastern Iowa Synod to fund technological improvements. Without the assurance of further grant money in 2022, our Technology Team requests money as a part of their budget to fund purchases as they arise.

- In 2021, we began working with a new company for the lease on our copier. Now, we have the ability to do more with our copier machine for about the same price. Previously, the cost of the copy machine came out of the line item “Council - Office Supplies.” However, given that our copier is a piece of technology, and given that those with the expertise of how to manage our equipment are on our Technology Team, we are suggesting removing the cost of the copier from it’s previous line item (“Council - Office Supplies”) and giving it it’s own line item. Therefore, though it appears as though this is a significant increase in budgeting for our copier, it is simply a reallocation.
- For reference, Online Tech Subscriptions include the cost of things like Campaign Monitor (our email distribution service) and Zoom.

Social

- Though there are no changes in this team’s budget from 2020 to 2021, note that funds were often used from “special events” in the past year for events like ice cream socials, bonfire and s’mores, etc. It is our hope to continue funding events like this to build relationships within the congregation!

Administration and Finance

- As this is a new team, this is the first time we are seeing a section allocated to this team on our budget.
- As referenced above, line items allocated from this team were taken from Council’s budget. So as to show the difference between our budget in 2021 and the proposed 2022 budget, the line items for bank fees, liability insurance, workmans’ compensation, and office supplies do also appear under Council’s budget. However, note that under the Council budget, these line items are zeroed.
- For the past two years, we have underestimated the cost of liability insurance. So as to be better stewards of the money needed for this expense, this line item has been increased.
- In contrast, for the past two years, we have overestimated the cost of workmans’ compensation insurance. Again, so as to be better stewards of the money needed for this expense, this line item has been decreased.

Church Council

- Under Allowances and Other note:
 - Allowances for continuing education and parish-related travel are suggested based on compensation guidelines as presented at the Southeastern Iowa Synod Assembly
 - Allowance for professional expenses has been increased based on Council’s recent decision to offer a percentage reimbursement for Pastor

Aleese's cell phone. This decision to offer a percentage reimbursement is in accordance with Iowa law for non-profits, and is also in recognition of the necessity for Pastor Aleese to have a cell phone/cell phone plan that is adequate to perform her day-to-day tasks as pastor of this congregation.

- Pertaining to staff compensation:
 - Following an annual review of Pastor Aleese's performance, Council recommends a raise (based on years of experience) in accordance with Synod Minimum Guidelines.
 - Following an annual review of Kathy, our Office Manager, Council recommends a 3% raise.

Having reviewed these recommendations, please know that members of the Congregational Council (Delene McConnaha, Daryl Eichelberger, Erin Jorgensen, Connie Stalheim, Amy Bakke, Mackenzie Gilbert, and Cathy Bermel) and members of each team are more than willing to have further conversations with you regarding any questions or concerns.

On behalf of the teams who submitted their budgets, and the Congregational Council who is recommending this budget to you, we thank you, for your careful and prayerful attention to our congregation's budget.

May God continue to bless us as we share God's Good News and join in the work of Christ's Kingdom!