

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

**Minutes, February 6, 2018**

**Present:** Stuart Brown, Barry Hancock, Kathy Kelley, Jeff Kilpatrick, Stacey Malcolmson, Grady Schleier (Treasurer), Jim Smith, Katie Webb, Chris Wiley

**Ex-officio present:** Rob Baber (Director of Operations), Rev. Chris Girata (Rector), Caroline Marak (Stewardship Manager), Sally Schupp (Junior Warden), Margaret Spellings (Senior Warden)

**Absent:** Andy McRoberts

**Guests:** Christine Paddock (President, Women of Saint Michael)

**1. Approval of agenda and minutes**

The agenda and minutes from the January 16, 2018 meeting were approved.

**2. Review of WOSM Parish Party Fund Solicitation Request**

Mrs. Paddock, president of the Women of Saint Michael, presented the fund solicitation for the 2019 parish party. Mrs. Paddock reported the attendance of the 2017 party was approximately 650 people. The WOSM would like to see 750 at the party in February of 2019. The WOSM would like to begin their fundraising for this parish party in September 2018 and not overstep the 2019 Stewardship campaign. The finance committee voted to approve the fund solicitation request as submitted.

**3. Review of December 2017 financials – hard close**

Mr. Baber reviewed the results of operations for the period ending December 30, 2017 hard close. Total net operating revenue was \$4,980,935 versus a budget of \$5,110,991 resulting in a negative variance of \$130,056. Total operating expenses were \$5,035,110 versus a budget of \$5,110,259 resulting in expense savings of \$75,149. This results in a net negative variance of \$54,907. We ended the year relatively flat in current year pledge revenue. Negative variances in prior year pledge payments have been anticipated since we had low payments in the spring. Unpledged contributions had a negative variance primarily due to a couple sizable “regular” unpledged gifts were not made at year end. The large variance in Operations is primarily due to the waterline break in the south parking lot.

The hard close numbers had an additional loss of approximately \$35,000. This was primarily due to clarification of pledge contributions given at the end of the year. A number of parishioners make their pledge payments in December for the following year. These adjustments were made and the net result was a reduced income number than previously reported in the soft close in January. After a short discussion, the decision was made to not recommend pulling any funds from the Foundation to cover the extraordinary expenses in Operations.

#### **4. Stewardship Report**

Mrs. Marak reviewed the current 2018 Pledge Summary as of February 1, 2018. As of this date, pledges in the amount of \$5,234,992 have been received from 1,096 parishioners. This amount is roughly equal to the final numbers for the 2017 pledge campaign, however the number of pledging units is down by 82 units. The average pledge is over \$300 higher than last year. As with past years, we anticipate more pledges to come in after the February 1<sup>st</sup> deadline in addition throughout the year. We saw 126 new pledges and together with increased pledges represent over a \$750,000 increase over last year. However, we did not receive pledges from approximately 200 households that pledged in 2017.

#### **5. Review 2018 Budget**

To begin the 2018 budget discussion, Mr. Baber walked the committee through the 2018 Revenue worksheet starting with the pledges in hand from the Stewardship Report. Starting with \$5,235K in pledges and anticipating some new pledges, unpaid pledges and overpayments, we anticipate 2018 pledge revenue to be approximately \$5,527K. These calculations have been made using weighted historical data from the past 4 years. Along with unpledged contributions, plate and miscellaneous income we anticipate total revenue of \$6,026 in 2018.

Mr. Baber and Mr. Schleier then walked through the operational expenses of the budget. With an emphasis on the church initiatives, a concerted effort was made by the budget committee to allocate budget increases in these areas including Youth, Music, Welcome and Communications. Savings were made in a few areas including Administration and Operations. It was decided that we will not make budgeted contributions to the Maintenance Reserve Fund held by the Foundation in 2018. Additionally, the contributions to the National Church will only be those amounts that normally flow through the Diocesan Assessment. Given these adjustments the budget presented is breakeven for 2018. The committee voted to recommend this budget to the Vestry at the meeting on February 7<sup>th</sup>.

No other discussions of new or old business was needed and no other fund solicitations were presented, the meeting was adjourned.