

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

Minutes, June 19, 2018

Present: Kathy Kelley (Treasurer), Jeff Kilpatrick, Stacey Malcolmson, Andy McRoberts, Grady Schleier, Jim Smith, Katie Webb

Ex-officio present: Rob Baber (Director of Finance), Chris Girata (Rector), Warren Houser (Warden at Large), Keith Quarterman (Executive Director of Operations), Sally Schupp (Junior Warden), Margaret Spellings (Senior Warden)

Absent: Stuart Brown, Janice Bywaters, Barry Hancock, Chris Wiley

Guests: Jessica Garner, Darrel Rice (Co-chairs of Saint Michael Presents Committee)

1. Approval of agenda and minutes

The agenda and minutes from the May 15, 2018 meeting were approved.

Ms. Kelley made the announcement that finance committee member, Katie Webb, was moving to Washington DC to pursue a master's degree in public affairs. Ms. Webb was thanked for her service on the Finance Committee.

2. Fund Solicitation – Saint Michael Presents

Ms. Garner and Mr. Rice presented the Fund Solicitation for Saint Michael Presents. The committee would like to send a mailer to past contributors and families that have shown interest in the concert series. This is similar to the solicitation that has occurred in the past to support the concert series. The committee will work with Lowell Duncan regarding updating the list of patrons. They hope to get the letter out in the next couple of weeks. A fall concert is scheduled for October 21st with a group from New York City. The finance committee approved the fund solicitation.

3. Review of May 2018 Financials

Mr. Baber reviewed the results of operations for the period ending May 31, 2018. Total net operating revenue was \$2,644,498 versus a budget of \$2,541,663 resulting in a positive variance of \$102,835. Total operating expenses were \$2,002,587 versus a budget of \$2,170,758 resulting in expense savings of \$168,171. This results in a net positive variance of \$271,006. Mr. Baber reminded the committee that we do not accrue miscellaneous expenses at the end of each month. These expenses are approximately \$30,000 to \$40,000 on average. The positive variance of SMES of \$44,812 was noted along with the liability on the books of the church to SMES to support the school's overall operating loss. The strong cash position of the church was noted, largely due to the positive variances in both revenues and expenses.

4. Contract Review – Church Management Software

Mr. Quarterman presented a contract for a new church management software from TouchPoint. A task force led by Mr. Stuart Brown was charged by the Rector to look at the market for software products that could potentially replace our current system. The church staff has had several hurdles and setbacks with the current software from Shelby Systems. A newer software company, Touchpoint, offers a number of capabilities that the current software does not offer. The start-up costs and first year cost for this software are approximately \$17,700 with annual maintenance and support around \$10,000 per year, thereafter. Additionally, Touchpoint has partnered with a merchant services company that will provide discounted credit card services that could potentially save the church approximately \$12,000 per year. A suggestion was made to increase the amount of funds allocated to training to bring the staff up to speed with the capabilities of this new software. The committee approved the contract and will recommend the contract to the Vestry.

5. Contract Review – IT Managed Services

Mr. Quarterman presented a contract from a new technology management company. The church Technology Committee was charged with issuing an RFP and recommending a new company to manage our IT system. This company would replace a smaller company that has been utilized by the church for the last year and a half. The service from the current company was not at the level we expect given the church's current staffing and expectations for future development, etc. After receiving a number of proposals and conducting interviews with five different companies, the Technology Committee selected Roland Technology Group. Roland Technology Group is a much larger company with resources available 24/7. They cover both PC and Apple hardware and bring the professionalism and depth in service we were looking for. The monthly cost for the IT management will be approximately \$1,000 more per month than we are spending with the current company. This is a fixed cost contract that includes special projects such as a plan to increase Wi-Fi coverage and any software conversions. The committee approved the contract and will recommend the contract to the Vestry.

The approximate increase in cost for the two contracts that were approved is \$30,000. At this time, the church is showing a positive expense variance of \$168,000 which we anticipate will at least be \$84,000 at year end due to timing issues. This will more than cover the anticipated overage with these two new contracts

No other discussions of new or old business was needed and the meeting was adjourned.