

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

Minutes, September 18, 2018

Present: Janice Bywaters, Kathy Kelley (Treasurer), Jeff Kilpatrick, Stacey Malcolmson, Andy McRoberts, Grady Schleier, Jim Smith, Chris Wiley

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

Absent: Stuart Brown, Barry Hancock

1. Approval of agenda and minutes

The agenda and minutes from the August 21, 2018 meeting were approved.

2. Review of August 2018 financials

Mr. Baber reviewed the results of operations for the period ending August 31, 2018. Total net operating revenue was \$4,016,747 versus a budget of \$3,914,864 resulting in a positive variance of \$101,883. Total operating expenses were \$3,318,550 versus a budget of \$3,533,222 resulting in expense savings of \$214,672. This results in a net positive variance of \$316,555. 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 \$60,039 in Operations and \$29,035 in SMES 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. The variance report given next month will have a forecast of variances at year end.

3. Stewardship Update

Ms. Marak updated the committee on the work in Stewardship that occurred over the summer and in preparation of the upcoming stewardship season. Community Counseling Service (CCS) has begun their work and the interviews are progressing well. They will be working through the summer on the first phase of the project. They have talked with four or five churches of similar size, including Incarnation, that have agreed to participate in a benchmarking exercise. The Stewardship Committee hosted a Coffee and Conversation with Father Karl Travis on August 29th. The event was well attended and Father Travis had a great message on Stewardship. The talk was recorded and will be available to committee members. Plans are being made for the upcoming Stewardship season with goals of growing the committee and approaching families participating but not making a pledge.

4. Honduras Micro-Loan Renewal

Mr. Schleier gave the background of the relationship between Saint Michael and All Angels and the Microenterprise Development Funds (FUNED). In 2009, Saint Michael and All Angels granted \$57,000 to the FUNED organization to provide small loans to individuals and small companies in Tela, Honduras. At the request of SMAA, this grant was booked as a loan by FUNED to maintain an ongoing relationship with Saint Michael. We have extended the original agreement previously in 2011 and 2013. This three-year renewal will expire in December of 2019. The finance committee voted to extend the loan for this three-year timeframe and evaluate the ongoing relationship during this time.

5. Fund Solicitation Request – Honduras Threads

Ms. Kelley reviewed the request from M'Lou Bancroft for Honduras Threads. Honduras Threads is a separate non-profit born from the Saint Michael mission trips to Tela, Honduras. This entity supports the sale of hand-embroidered pillows, table runners, placemats, etc. The request is for a sale of their products in the Parlor before and after church services on Sunday, October 28th. The sale proceeds support the women and their families in Honduras. This is the third year for this annual sale. The Saint Michael Bookstore sells a few of the products, but this sale gives the opportunity for parishioners to buy a much wider variety of the goods before the Christmas season. The finance committee approved the fund solicitation request.

6. Foundation Grant Request – Youth A/V Upgrades

Mr. Houser reviewed a foundation grant request for the upgrade of the audio/visual equipment in the Youth space upstairs. The equipment in this space was originally installed in 2008 and is not compatible with the standard digital format needed today. Additionally, some of the equipment in this area is currently not functional. Mr. Houser and Mr. Quarterman have worked with a vendor to upgrade the system and decentralize the controls so each area is controlled separately within the room. The cost of these repairs and upgrade will not exceed \$35,000. The operations department can take \$17,500 in the capital budget, and would like to request a grant from the SMAA Foundation for the balance of \$17,500. The foundation grant request was approved by the committee and will be recommended to the Vestry.

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