

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

Minutes, January 16, 2018

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

1. Approval of agenda and minutes

A correction in attendance at the December 12, 2017 meeting was noted. The agenda and adjusted minutes from the December 12, 2017 meeting were approved.

2. Review of December 2017 Financials – Soft Close

Mr. Baber reviewed the results of operations for the period ending December 30, 2017 soft close. Total net operating revenue was \$5,009,722 versus a budget of \$5,110,991 resulting in a negative variance of \$101,269. Total operating expenses were \$5,033,978 versus a budget of \$5,110,259 resulting in expense savings of \$76,281. This results in a net negative variance of \$24,988. 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. Negative variances in other departments should be addressed during the year by departmental level committees, etc.

Mr. Schleier brought up the fact that in past years the finance committee and Vestry had pulled money from the maintenance fund held at the Foundation to cover the losses due to unexpected maintenance expenses. After a discussion, the consensus of the committee was to leave the operating loss and not draw on Foundation funds.

Mr. Baber discussed the soft-close and the possibility of these numbers increasing or decreasing when final amounts are recognized. Currently the finance department is researching a check received from the sale of a stock received in December that could be toward 2017 or 2018 pledges.

3. Review of Stewardship

Mrs. Marak reviewed the current 2018 Pledge Summary as of January 12, 2018. As of this past Friday, pledges in the amount of \$4,826,003 have been received from 956 parishioners. This amount is roughly equal to the same period for the 2017 pledge campaign, however the number of pledging units is down by 126. The average pledge is almost \$500 higher than last year. We have two more Sundays to receive pledges before the February 1st cut-off. Parishioners are also being pointed to the online portal to setup their pledge payments.

4. Review of Contract with Allyn Media

Fr. Girata discussed the contract with the public relations firm, Allyn Media, and the role they will play regarding communication strategy of the use of the north land. This firm has handled many similar projects and has a tie to a Saint Michael parishioner. The contract is for a flat rate of \$2,500 per month with a 30-day cancellation notice. This expense will be in the 2018 operational budget. The contract was approved unanimously by the committee.

5. Review of SMES Budget 2018 - 2019

Mr. Schleier discussed the budget of Saint Michael Episcopal School for the upcoming 2018 -2019 school year. The school has adopted a fiscal year of July 1st through June 30th to correspond with the normal school year. The administration staff of the school will work with the finance staff of the church to coordinate with the calendar year budget of the church. The school initiated a change in the accounting method this year to recognize fee income in the month of August. In the past, revenue for the school was recognized in September through May the following year. This method recognizes the amount of work and expenses for the school in preparation for the school year including testing, classroom setup, teacher continuing education and training. The school administration staff return to work the first week of the August and teachers return the second week. Classes normally start the last week of August.

Additionally, the capital campaign the school is anticipating, upon ESD moving to their main campus, will be coordinated with the church leadership.

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