

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

Minutes, January 15, 2019

Present: Janice Bywaters, Barry Hancock, Kathy Kelley (Treasurer), Jeff Kilpatrick, Bill McGannon, Stacey Malcolmson, Grady Schleier, Jim Smith, Chris Wiley

Ex-officio present: Rob Baber (Director of Finance), Warren Houser (Senior Warden), Jay Lipscomb (Warden At-Large), Caroline Marak (Stewardship Manager), Keith Quarterman (Executive Director of Operations)

Absent: Stuart Brown, Andy McRoberts

Guests: John Ellerman (Saint Michael's Farmers Market Representative); Tricia Stewart (Farmers Market Manager)

1. Approval of agenda and minutes

The agenda for the meeting was approved. The minutes from the December 11, 2018 meeting were approved pending the changes in meeting attendance.

2. Introduction of New Member

Ms. Kelley introduced Bill McGannon as a new member of the Finance Committee. Additionally, Jay Lipscomb was introduced as the new Warden At-Large. Warren Houser is now Senior Warden and Bonner Allen is Junior Warden. A new contact list was circulated with the new members.

3. Fund Solicitation – Saint Michael's Farmers Market

Mr. Ellerman introduced Tricia Stewart as the Farmers Market Manager. He then walked the committee through the fund solicitation for the Saint Michael's Farmers Market. The church provides two sextons and electricity for the market. All other expenses are raised by the market in fees charged to the vendors in addition to support from Friends of the Farmers Market. The 2019 season will be the first year the market will have a paid manager. The last three years the market was managed by Nancy Wilbur on a volunteer basis. In 2018 the market averaged approximately 600-700 visitors per weekend. The Farmers Market Committee would like to mail approximately 500 letters to Friends of the Farmers Market and attendees of the market that include church parishioners and other neighbors. The committee would like to send these letters in April and target receiving \$40,000 which is roughly the expense of hosting the market for one season. The finance committee approved the fund solicitation unanimously.

4. Foundation Grant Request – Care-Dallas

Mr. Baber presented the Foundation Grant request regarding the rent assistance that is given to Care-Dallas in the Lomo Alto office building. A \$5,000 bequest was given to the Foundation to be used for the support of addiction education and assistance. Saint Michael currently has a relationship with the Care-Dallas group that provides education and support to young adults, students and their families with

addiction issues. This \$5,000 grant from the Foundation would help fund the rent assistance to Care-Dallas. The grant request was approved by the finance committee and will be recommended to the Vestry.

5. Review of December 2018 Financials – soft close

Mr. Baber reviewed the results of operations for the period ending December 31, 2018. Total net operating revenue was \$5,440,821 versus a budget of \$5,209,563 resulting in a positive variance of \$231,258. Total operating expenses were \$5,156,832 versus a budget of \$5,209,165 resulting in expense savings of \$52,333. This results in a net positive variance of \$283,591. Mr. Baber stated that a number of expense accruals had been recorded, but there additional 2018 expenses will probably come in before the hard close that will be around the end of the month. No additional revenue was expected at this time, all late stock gifts had been identified and recorded at this time. The committee discussed the negative variances in a couple of the ministry areas and how to have a better handle on these variances in 2019. The approval policy will be reviewed along with more involvement with individual areas when variances arise or are anticipated during the calendar year.

6. Stewardship Update

Ms. Marak recapped the stewardship report through January 11, 2019. We have received 908 pledges totaling \$5,119,192 to date compared to 923 pledges in the amount of \$4,702,318 this time last year. A very different approach was taken this year. The 2019 campaign began with a softer approach on Stewardship Sunday followed with a nice brochure mailed to all parishioners. The Stewardship Committee is more robust this year and have a more active season planned. The average pledge is over \$500 higher than this time last year. The Stewardship Committee anticipates a strong finish to the 2019 campaign with the goal of \$5,600,000.

7. SMES 19-20 Budget Review

Mr. Schleier handed out several schedules related to the 2019-2020 school year for the Saint Michael Episcopal School. The first two schedules provide a history of tuition along with enrollment which outlined the increases in tuition at all age levels and the increases in revenue over the past few years. The school anticipates utilizing two extra classrooms starting in the fall on 2019 which enables them to bring in younger children to start at the preschool. The last schedule presented the 2019-2020 budget which reduced the deficit by over \$100,000 compared to the 2018-2019 school year. This budget includes a shared services payment from the school to the church to cover the services provided by the church for space occupation (utilities, cleaning, upkeep, etc.), administration and accounting, and pastoral leadership. Without this shared services payment the school would be breakeven this next school year.

The school very recently completed the accreditation process including the on-site visit from the accreditation team. This long process has largely been completed and they anticipate positive results very soon.

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