

Finance Committee of the Vestry

Saint Michael and All Angels Church

Minutes, May 18, 2021

Present: Janice Bywaters (Treasurer), Brad Davis, Terese Finitzo, Kathy Kelley, Jeff Kilpatrick, Bill McGannon, Becky Odlozil, Grady Schleier, Jim Smith, Chris Wiley.

Ex-officio present: Rob Baber (Director of Finance), The Rev. Ken Brannon (Vice-Rector), Richard D'Antoni (Warden-at-Large), The Rev. Dr. Chris Girata (Rector), Stacy Malcolmson (Junior Warden), Caroline Marak (Stewardship Director), Blair Oden (Senior Warden), Stewart Thomas (SMAA Foundation President).

Guests: Colleen O'Hara (Director of Operations)

Meeting held via Zoom Video Conference

1. Approval of minutes

The minutes from the April 20, 2021 meeting were approved as presented.

2. IT Service Provider Contract Review

Ms. O'Hara presented a proposal for the Church to change IT service providers. Requests for Proposal were sent to five firms, with four responding. Enable Care was the firm selected based on its proposal and positive references. Ms. O'Hara referenced a draft Master Services Agreement and accompanying proposal for the committee's review. Edits noted in the draft were accepted by Enable except for substituting a 30-day notice requirement instead of 90-day in the event either party desires not to renew the contract at the end of the three year term. The 90-day requirement was retained to accommodate an orderly transition if the contract is not renewed. The committee discussed several aspects of the proposal, including the term of three years versus one year and the definition of a breach. The committee unanimously approved the Master Services Agreement as presented with edits, except the 30-day notice requirement. It will be recommended to the Vestry on May 19th.

3. Stewardship Update

Ms. Marak provided an update for the 2021 stewardship campaign which is in the planning phase. The next committee meeting is May 20th with discussion around internal goals while keeping the early stages of the capital campaign coordination in mind. A date for the Stewardship retreat has been set for August 19th. Ms. Marak noted she has completed the Planned Giving course and will work to develop a three-year strategy for planned gifts. It was noted that quarterly pledge statements are now sent out via US mail and email is no longer being used for this purpose.

4. Review of April 2021 Financials

Mr. Baber reviewed the results of operations for the period ending April 30, 2021. Total net year to date operating revenue was \$2,665,686 versus a budget of \$2,877,266 resulting in a negative variance of \$211,580. Total year to date operating expenses were \$1,877,996 versus a budget of \$1,992,814 resulting in expense savings of \$114,819. This results in an overall negative net variance of \$96,762.

Revenues – Collections of current year pledges for April were down by \$255,935 and down \$269,055 year-to-date, as compared to budgeted amounts. The budget for pledges is based on a three-year historical average and it was noted the last two years were unusually high, possibly contributing to the negative variance. The variance could also be due to timing in receipt of some major gifts, rather than insecurity, and that receipt of the top 20 pledges would cover the gap. Ms. Marak plans to touch base in June with those top givers who are later than expected to ensure a timing issue and not a concern.

Collection of prior year pledges exceeded budget by \$4,633 for April and year to date by \$70,787.

Fr. Girata noted that collections are reviewed weekly in a report that compares the percent expected to what was collected for each week of the last three-year period.

Expenses – Operating expenses for the month are in line with budget. SMES reflects a negative variance year-to-date but is expected to be back on track in June with enrollment for summer camps. Expenses are expected to increase due to reopening of the Church. The budget was based on limited in-person activity for the 1st half of the year and full in-person for the 2nd half.

Revenue over Expenses was negative \$262,970 for April and \$96,762 year-to-date as compared to budgeted amounts, mostly due to expected April collections which were less than budgeted.

5. Review of Capital Fund and CCC Budget

Mr. Baber reviewed the deposits and withdrawals for the Campus Construction Committee and the Capital Fund resulting in a combined foundation fund balance of about \$4 million which appears on the Church balance sheet. The Community Counseling Services feasibility study will be presented to the Vestry May 19th for a vote, after which additional expenditures will occur as the project moves forward.

6. New/Old Business

Mr. Smith reported on the Diocesan Finance Committee meeting where it was noted the national church will assess the diocese on any Payroll Protection Program loans that were forgiven. The assessment will be in the year the loan was forgiven; SMAA included the potential for this assessment in its current budget.

Ms. Bywaters noted the next Finance Committee meeting is June 15, 2021 and will be held via Zoom. It is anticipated the August meeting will be in person.

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