

**Finance Committee of the Vestry**

**Saint Michael and All Angels Church**

**Minutes, November 16, 2021**

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

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

**1. Approval of minutes**

The minutes from the October 19, 2021 meeting were approved as presented.

2. **Stewardship** – Ms. Marak presented the Stewardship Campaign status. As of November 14, the total number of pledges received to date were higher by 15 as compared to same time last year, and the median pledge amount was also higher. Total amount pledged was less than same time last year by \$108 thousand. There does not appear to be a theme driving the lower total amount pledged. Follow-up efforts continue with phone calls and reminder notices. A goal for 2022 is to create a process of consistent follow-up during the year. The budget analysis has been updated with a conservative forecast of negative \$200 thousand for the Current Year Pledge line item to adjust for the expected pledge amounts for the year.

**3. Review of October 2021 Financials**

Revenues – Mr. Baber reviewed the result of operations for the period ending October 31, 2021. Revenue for the month of October was \$154 thousand under budget, and \$296 thousand under budget for the year to date. Pledge revenue was \$125 thousand under budget for the period and \$332 thousand under budget for year to date. Projected forecast of pledge revenue variance for the year is negative \$200 thousand.

Expenses – Positive variances are noted for most expenses, largely due to challenges filling open positions. Both salary and program expenses are impacted by open positions. A “Hiring Support Plan” has been made a priority for this quarter by the church leadership team with the potential for a third-party vendor to queue up the plan.

SMES positive variance results from adding an additional classroom which will be offset somewhat by the new playground expense. A positive variance of \$100 thousand is expected at end of year.

Overall, a \$443 thousand positive variance is projected for the year.

**Review of 2020 Audit** - Mr. Baber reviewed the Independent Auditors' Report for the years ended December 31, 2020, and 2019, which resulted in a "clean opinion." This was the first year the Foundation was included in the audit. The agreements supporting the respective funds in the Foundation drive the accounting for those funds on a consolidated basis. Discussions centered on considerations to update the agreements to reflect placement of the funds consistent with the Vestry's intentions.

**Budget Update** – Budget presentations were due yesterday and the Finance Committee liaison may attend the budget meetings if they like. Instructions to staff regarding budgeting were to think strategically about church best practices and to focus on growth. Pledge revenue is targeted for a 3 to 4% increase. A Director of Advancement has been hired and will be announced soon.

The next Finance Committee meeting will be December 14 to be held via Zoom.

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