

**Finance Committee of the Vestry**

**Saint Michael and All Angels Church**

**Minutes, December 14, 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), The Rev. Dr. Chris Girata (Rector), Caroline Law (Director of Advancement), Stacey Malcolmson (Junior Warden), Caroline Marak (Director of Stewardship)

Ms. Bywaters announced all meetings next year will be in person at the church.

1. **Approval of minutes** - The minutes from the November 16, 2021 meeting were approved as presented.
2. **Stewardship** – Ms. Marak introduced Caroline Law, newly hired Director of Advancement. The committee welcomed Ms. Law whose focus will be the capital campaign.

Ms. Marak presented the Stewardship Campaign status. The campaign is \$198 thousand to date positive as compared to 2021 and has reached 76% of the 2022 goal. Ms. Marak reviewed a breakdown of pledges received comprising an overall positive variance of \$476 thousand for those same pledges last year. It was noted that the average pledge for 2022 is higher as compared to 2021. With a goal to drive new pledges, Ms. Marak will present a comprehensive report for 2022 in the January Finance Committee meeting. Follow-up continues for pledges usually made by this time which have not been received. Thank you notes have been ordered and will be going out to those on the committee who requested them.

**3. Review of November 2021 Financials**

Revenues – Mr. Baber reviewed the result of operations for the period ending November 30, 2021. Receipts were significant in November resulting in improvement to year-to-date revenue at \$100 thousand under budget, reduced from \$296 thousand in October. The forecast of Pledge revenue will remain under budget by \$138 thousand.

The budget for Other Income includes 12 months of North Land and Lomo Alto revenue, \$270 thousand and \$184 thousand, respectively, as well as pulling from restricted funds as designated by the Vestry. ESD reserves will also be drawn down and reflected in Other Income.

Expenses – Positive variances are noted for all except two line items.

Communications negative variance reflects staff turnover, including the cost of a professional headhunter. The Music year-to-date expenditures exceed budget by about \$12 thousand due to the church re-opening for services earlier than anticipated. Positive variances include Member Engagement expenditures and Member Tracing initiatives.

Total Operating Expenses reflect a year-to-date positive variance of \$685K. Planned usage of a portion is anticipated to result in the final year end variance to remain positive but be closer to \$600 thousand.

Overall, a \$473 thousand positive variance is projected for the year. There will be a “soft close” in January with a “hard close” to follow in February.

4. **Budget Update** - Mr. Baber reported on the budget process. He, Mr. D’Antoni, Fr. Brannon and Ms. Bywaters met with every department. It was noted that the staff works hard, needs more resources and proper IT support.

5. **New / Old Business**

Performance Rewards - The Committee went into an Executive Session to discuss performance rewards recommended for employees. The recommendation was unanimously passed and will be forward to Vestry for approval.

Receipt of Unplanned Gift - Fr. Girata presented a recent opportunity in the receipt of a \$250 thousand unpledged gift to be used for operating purposes at the donor’s request. The specifics were discussed to earmark the bulk of the gift to pre-fund positions most strategically valuable for an extra year (through 2024). These roles would become recognized expenses beginning in 2025 with a plan that they be sustainable through higher annual giving at that time.

Finance Committee Member Changes - Mr. Schleier noted his term was ending on the Finance Committee and Fr. Girata thanked him for his service and contributions. Terms for Mr. Kilpatrick and Mr. Davis are also ending. New members will include Mr. Glen Davison, Mr. Patrick Jennevein, Ms. Jenny Sikes and Ms. Christy Hornsby. Ms. Malcomson will return as a full member.

Budget Surplus - Ms. Bywaters reported that some of the budget surplus will be used to forgive a portion of the housing loans provided to Fr. Girata and Fr. Brannon, as approved by the Vestry in November.

The next Finance Committee will be January 18 to be held at the church.

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