

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

Minutes, August 20, 2019

Present: Barry Hancock, Jeff Kilpatrick, Stacey Malcolmson, Bill McGannon, Andy McRoberts, Grady Schleier, Jim Smith, Chris Wiley

Ex-officio present: Rob Baber (Director of Finance), Rev. Ken Brannon (Vice Rector), Rev. Chris Girata (Rector), Warren Houser (Senior Warden), Jay Lipscomb (Warden At-Large), Caroline Marak (Stewardship Manager), Charlie Sartain (SMAA Foundation Chairperson), Keith Quarterman (Executive Director of Operations)

Absent: Janice Bywaters, Stuart Brown, Kathy Kelley (Treasurer)

Guest: Margaret Harper (Associate Director of Music and Organist)

1. Approval of agenda and minutes

The agenda for the meeting and the minutes from the August 20, 2019 meeting were approved with one addition to the addenda for the presentation of a Foundation Grant Request by the Music Department.

2. Review of Foundation Grant Request - RSCM-A

Ms. Harper presented the foundation grant request on behalf of the Music Department. This proposal is for funding to conduct targeted research and recruiting efforts for the planned opening of an annual summer course based at Saint Michael and All Angels Church for the Royal School of Church Music – America (RSCM-A). This grant will be used in two distinct phases. The first will be for a Saint Michael Chorister tour to Houston this November, a trip that will serve to build relationships with two Houston churches from which we expect to recruit significant numbers of students to attend our summer course. The second will be a series of research trips in the summer of 2020 in which we will send Music staff and mother/son teams of parishioners from our Chorister program to observe similar courses across the country. Both of these efforts will play a crucial role in enabling us to be prepared to successfully kick off a new annual RSCM-A summer course at Saint Michael beginning in the summer of 2022. The income from the summer program is anticipated to completely offset the expenses with the proper planning and staff/volunteer coordination. The finance committee unanimously approved this grant request and the request will be presented at the next Vestry meeting.

3. Review of July 2019 financials

Mr. Baber reviewed the results of operations for the period ending July 31, 2019. Total net year to date operating revenue was \$3,320,931 versus a budget of \$3,244,110 resulting in a positive variance of \$76,821. Total year to date operating expenses were \$3,106,354 versus a budget of \$3,211,863 resulting in expense savings of \$105,509. This results in a net positive variance of \$182,330. During the month of June, we had a small positive revenue variance, but in July we had a negative variance of \$91,441. Year to date we are still maintaining a good positive revenue variance. The monthly variances were probably due to early payment of pledges when parishioners are on summer vacation. Operational expense variances

continue to run a positive variances, but a couple capital projects currently being completed will bring a negative variance to our overall 2019 capital budget. We are planning on waiting until year-end to determine if reserve funds should be tapped. Mr. Baber also noted that that approximately \$20,000 to \$30,000 in credit card expenses are not accrued at the end of the month because of the wide variety of charges and the timing of when the statements are received and the date of our finance committee meetings.

4. Stewardship update

Ms. Marak updated the committee regarding the current activity in the stewardship area. The overall goal for the 2020 campaign will be \$6,000,000. The Stewardship Committee is planning an active stewardship season. Additionally an analytics subcommittee has been formed to dig deeper in the pledge data.

5. Additional Discussion

With the discussion regarding the Foundation Grant Request today, a question was raised regarding the process a ministry area needs to go through in regards to applying for a foundation grant. The committee agreed this might be unknown to several new staff members. We will work with the foundation to better formalize this process and report to the ministry leaders.

A short discussion regarding the upcoming 75th Anniversary celebration of SMAA next year was brought up by the committee. Planning has already started for this anniversary which will be celebrated during several planned events during the 20-21 church year. The events should be self-funded and have little impact on the 2020 annual budget. A fundraising request will be forthcoming.

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