

Finance Committee of the Vestry
Saint Michael and All Angels Church
Minutes, December 13, 2022

Present: Janice Bywaters (Treasurer), Glenn Davison, Patrick Jenevein, Kathy Kelley, Bill McGannon, Becky Odlozil, Jim Smith, Chris Wiley.

Absent: Kristi Hornsby, Jeanie Sikes.

Ex-officio present: Rob Baber (Director of Finance), Richard D'Antoni (Senior Warden), Arnold Spencer (Warden-at-Large), The Rev. Dr. Chris Girata (Rector), Caroline Marak (Director of Stewardship).

Guest: Christian Basel

1. **Approval of minutes** – Ms. Bywaters moved and Mr. Jenevein seconded the minutes from the November 15, 2022, meeting be approved. The minutes were unanimously approved.
2. **Stewardship** – Ms. Marak reviewed the 2023 Campaign Progress Report as of December 12, noting the pledges received total \$5,389,799 which is 81% of the \$6.6 million goal. Pledge units received are at 72% of goal. Total pledges received last year but not yet received this year are 331 units for \$1,522,885. Targeted calls for these pledges are in process. Twelve outright gifts totaling \$62,335 represent prepayments for 2023.
3. **Review of Clergy Sabbatical Policy** – Father Girata reported the Policy will be reviewed in the January meeting.
4. **Review of Lomo Debt Payoff** – Ms. Bywaters and Mr. Baber presented a proposal to repay the \$925 thousand debt on Fredericks Square due to the climbing interest rate environment. Current cash flows were presented assuming debt payoff as well as reduced cash flows in later years reflecting fewer tenants to allow greater space for SMAA. Based on the presentation and discussion, Ms. Bywaters moved and Mr. Jenevein seconded the Committee affirm repayment of the debt on Fredericks Square.
5. **Review of November 2022 Financials**
Mr. Baber reviewed the results of operations for the period ending November 30, 2022.

Revenues – Current Year pledge receipts are higher than budget by \$103 thousand. Total Revenue Available was higher than budget by \$249 thousand for the period and higher by \$157 thousand year to date. An additional \$22 thousand is forecast for Revenue Available to exceed budget for end of year.

Expenses – Operating Expenses for the period were \$31 thousand less than budget. Total Year-to-Date Operating Expenses were \$195 less than budget.

The Administration line item is higher than budget by \$17 thousand due to use of a third-party technology consultant and Touchpoint software, both of which will be budgeted to continue in 2023. Positive variances were noted in Children & Family Ministry due to unfilled positions and in Ministry due to reduced moving expenses for clergy. The negative variance in Pastoral Care resulted from filling a position earlier than anticipated.

Total Revenue Over/Under Expenses was a negative \$128 thousand, \$352 thousand better than budgeted.

6. **2023 Budget Update** – Mr. Baber reported budget meetings have been held and will be finalized in January when Stewardship numbers are finalized. Father Girata noted it may be prudent to establish a reserve to cover unanticipated expenses associated with the many transitions planned for the coming years.

A soft close of financials for 2022 will be presented to the Committee in January. The hard close for 2022 and the proposed budget for 2023 will be presented to the Committee in February, after which the Vestry will consider for approval.

7. **2023 Finance Committee Calendar** – Mr. Baber reviewed the calendar for Finance Committee dates in 2023.

The next Finance Committee will be January 17, 2023. The meeting was adjourned.