

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

**Minutes, January 14, 2020**

**Present:** Janice Bywaters, Mike Ernst, Kathy Kelley (Treasurer), Jeff Kilpatrick, Stacey Malcolmson, Bill McGannon, Jim Smith, Chris Wiley

**Ex-officio present:** Rob Baber (Director of Finance), Ken Brannon (Vice-Rector), John Ellerman (Junior Warden), Jay Lipscomb (Senior Warden)

**Absent:** Joseph Cahoon, Andy McRoberts, Grady Schleier

Ms. Kelley called the meeting to order and opened with a prayer. She then introduced the new committee member, Mike Ernst. Joseph Cahoon is also joining the committee, but could not make this meeting. Two members, Stuart Brown and Barry Hancock, have withdrawn from the committee due to other commitments.

**1. Approval of agenda and minutes**

The agenda for the meeting and the minutes from the December 10, 2019 meeting were approved.

**2. Review of December 2019 financials – soft close**

Mr. Baber reviewed the results of operations for the period ending December 31, 2019 reminding the committee this is a soft close. Revenue is largely reconciled, but some more expenses are anticipated. Total net year to date operating revenue was \$5,524,434 versus a budget of \$5,592,908 resulting in a negative variance of <\$68,474>. Total year to date operating expenses were \$5,330,069 versus a budget of \$5,592,399 resulting in expense savings of \$262,330. This results in a net positive variance of \$193,856 against the 2019 annual budget.

Looking at budget components, total revenue was \$68,474 under budget primarily because collection of prior year pledges had been lagging all year, but also the negative variance in unpledged contributions of <\$71,275> in December was not anticipated. Operational expense variances were a positive \$262,330 for the year primarily led by positive results in SMES and other areas. Expenses in December came in close to the forecast presented last month with the exception of the modest bonus paid to staff in December. Overall, Mr. Baber expects to keep most of the net positive variance of \$193,856, but did note some expenses inevitably come in later in January. In February after the hard close, the finance committee can recommend the amount of surplus funds that can be transferred to either the school transition fund or the maintenance fund, both held at the Foundation.

**3. Stewardship update**

Ms. Marak called in and updated the committee regarding the current activity in the stewardship area. Through January 10<sup>th</sup>, pledges in the amount of \$5,436,292 have been received. Last year at this time \$5,116,447 in pledges had been received, but the 2019 official kick off was a little later on October 22<sup>nd</sup>. Stewardship has seen a very positive response since the kick-off. All stewardship committee members are

calling parishioners that have not pledged to date. Several staff members, including the Rector, are also following up with a few of the larger givers that have yet to respond. With three weeks left in the official campaign spirits are high that the six million dollar goal is still attainable. It was also noted that the stewardship campaign should be advertised in the weekly bulletins during services on Sunday.

#### **4. Budget update**

Mr. Baber gave an update of the budget process since the last committee meeting. The budget committee is currently reviewing the 2019 activity that was added and that commit funds for the 2020 year, such as adding a staff person during the year and absorbing the full year of salary and benefit expenses in the next year. One of the top priorities for the 2020 budget is adding a fulltime person to head the Mission & Outreach area of the church. This fulltime position has been vacant for a time period and being covered by a part-time person.

#### **5. Beck Contract Review**

Ms. Kelley discussed an architectural contract being considered with Beck to provide design plans for church expansion and renovation. The final contract was not available as of the time of this meeting, but it is very close to the original contract with a maximum fee of \$515,000. A designated capital gift that has already been received will cover these fees. These expenses are not part of the annual operating budget of the church. She informed the committee that once finalized, the contract will be circulated by email to the committee. A vote for approval will be requested by email due to the need to get architectural work started as soon as possible.

#### **6. 2020 Meeting Calendar**

Mr. Baber circulated a new calendar for the finance committee meetings in 2020 that included a change in the March Finance Committee meeting from March 17 to March 10, 2020 due to the Spring Break holidays.

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