

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

Minutes, June 16, 2020

Present: Janice Bywaters, Kathy Kelley (Treasurer), Stacey Malcolmson, Bill McGannon, Andy McRoberts, Becky Odlozil, Grady Schleier, Jim Smith

Ex-officio present: Rob Baber (Director of Finance), John Ellerman (Junior Warden), Rev. Chris Girata (Rector), Jay Lipscomb (Senior Warden), Caroline Marak (Stewardship Manager)

Absent: Mike Ernst, Jeff Kilpatrick, Chris Wiley

Guests: Jeff Rice (Women of Saint Michael President), Rick Currey (Campus Construction Committee Co-Chair), Barry Hancock (Campus Construction Committee Co-Chair)

Meeting held via Zoom Video Conference

1. Approval of agenda and minutes

The agenda for the meeting and the minutes from the May 12, 2020 meeting were approved.

Ms. Kelley introduced the guests attending the meeting today. Jeff Rice is President of the Woman of Saint Michael, Barry Hancock and Rick Currey join as Co-Chairs of the Capital Construction Committee

2. Review of fundraising solicitation – Women of Saint Michael

Ms. Jeff Rice explained the need for the Women of Saint Michael to solicit funding for their annual distribution of grants that occurs in the Spring of each year. Originally, the church and Women of Saint Michael planned to have the annual Parish Party in the Spring of 2021 as the celebratory party of the 75th anniversary of the church. Due to the COVID19 quarantines and limitations of social gatherings this party has been pushed to the Spring of 2022. Therefore, the funds that are normally raised during this party will be delayed by a year. Such funds would be used to help fund the WOSM Gifts Committee which awards grants to nonprofits throughout our community. Without the Parish Party the Committee will lose a significant amount of funding to support their agencies.

To help compensate for the loss, the WOSM would like to make a one-time fundraising request. They mail a newsletter to all women in the parish in August of each year outlining the annual activities for the upcoming church year. This year they would like to add an ask for donations directly to this WOSM Gift fund for the annual grants. The ask will explain how this year's funds from the normal parish party and sales at the Women's Exchange have negatively impacted fundraising. The WOSM are hoping for a positive response from this ask so the annual WOSM Gifts Committee grants are not negatively impacted in a year when they are needed more than ever. The committee approved the fund solicitation.

3. Saint Michael's Women's Exchange – Bank Accounts

Ms. Odlozil presented the present bank accounts utilized by the Women's Exchange which include the Bank of Texas, Bank of America and UBS. When cash is at the highest during the year, the balances exceed

the Federal Insurance limit by several hundred thousand dollars. Their proposal includes closing the account at UBS and opening accounts at Fidelity and Merrill Lynch to take advantage of interest-bearing accounts and online accessibility at those institutions. These moves will enable the Women's Exchange to better utilize online banking while earning money market interest on deposits in addition to staying under the federal insurance limit on deposits at each institution. The finance committee approved their proposal and will recommend the proposal to the Vestry.

4. Update of Capital Construction Committee

Ms. Kelley spoke to the finance committee regarding the history of the Capital Construction Committee ("CCC"). Last month the finance committee approved the contract with Pritchard and Associates as construction managers for this project because the annual budget for the CCC had not yet been assembled and approved. Mr. Currey then walked through the proposed 2020 budget that was assembled with the assistance of Pritchard and Associates. This budget for the remaining months of 2020, in the amount of \$321,755, includes the project manager's fees along with architect fees and several consultants needed during this phase of the project. Subsequent annual budgets beginning for January, 2021 are required under the terms of the CCC Charter. The plans and timeline with the north land development partner are changing and being delayed due to the current economic situation and the COVID19 issues. However, planning continues for the capital renovations to the church and supporting building systems including HVAC and utilities. The finance committee approved the budget presented by the CCC and will recommend to the Vestry.

5. Stewardship Update

Ms. Marak updated the committee on the continued plans of the stewardship committee including a retreat scheduled in August. The stewardship area will use this summer to put together most of the documentation and flyers to be used during the upcoming stewardship campaign along with utilizing the Touchpoint software to better analyze the current and historical data.

6. Review of May 2020 financials

Mr. Baber reviewed the results of operations for the period ending May 31, 2020. Total net year to date operating revenue was \$3,127,809 versus a budget of \$2,764,259. This included a positive variance of \$60,024 because the Diocese of Dallas elected to not collect the monthly assessment due in April. This was budgeted at \$60,024 for the month, therefore, the total positive net revenue variance was \$363,551. Total year to date operating expenses were \$2,020,948 versus a budget of \$2,172,271 resulting in expense savings of \$151,323. This results in a net positive variance of \$514,874. Mr. Baber noted pledge revenue was under budget by approximately \$70K for the month. Upon analysis in the previous month, several large pledges have been received earlier than normal accounting for some of the positive variance shown at this time. Mr. Baber reminded the committee that we do not accrue for expenses that are placed on church credit cards during the month that usually total \$30,000-\$35,000.

Mr. Baber expects a slowdown in pledge collections during the year due to the slowing economy brought on by government orders to shelter-in-place. At this point it is difficult to predict the exact revenue shortfall to be experienced by SMAA but we will watch trends and plan accordingly.

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