

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

Minutes, March 10, 2020 - Draft

Present: Mike Ernst, Kathy Kelley (Treasurer), Jeff Kilpatrick, Stacey Malcolmson, Bill McGannon, Andy McRoberts, Grady Schleier, Jim Smith, Chris Wiley

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: Janice Bywaters

Guest: Tricia Stewart (Farmers Market Director), Hudson Weichsel (Farmers Market Chairperson)

1. Approval of agenda and minutes

The agenda for the meeting and the minutes from the February 18, 2020 meeting were approved.

Ms. Kelley also announced that Becky Odlozil has joined the Finance Committee, but could not make the meeting today due to a prior commitment. Joseph Cahoon has resigned from the committee with his regrets due to family and professional obligations.

2. Review of Fund Solicitation Request – Farmers Market

Ms. Stewart, Farmers Market Director, introduced Hudson Weichsel as the new Chairperson of the Farmers Market Committee. She also recognized the tremendous work and leadership that John Ellerman gave the committee as the past chairperson. The Farmers Market Committee is seeking permission to pursue their annual mail campaign that usually raises between \$30,000 and \$35,000. The committee usually mails approximately 500 solicitations to past contributors and attendees of the market. Parishioners and non-parishioners will both receive the mailer. Attendance of the market increased substantially in 2019 and averaged about 950 visitors per weekend. The church supports the market by providing 2 sextons to setup and breakdown the market in addition to providing the electricity for the vendors. The committee raises the funds, along with fees paid by the vendors, to support the salary of the director and all operating expenses of the market. This fund solicitation was approved by the finance committee.

3. Review of CCS contract for phase 2 feasibility

Rev. Girata presented the contract for the next step in working with our capital campaign consultants, Community Counselling Service Co (“CCS”). Phase 1 was completed largely in 2018 and consisted of an evaluation of Saint Michael regarding our parishioners giving and our systems utilized for stewardship. This first phase was paid for by a grant from the Foundation. This second phase will determine the feasibility of our capital campaign by identifying 100-125 parishioners and school parents to participate in individual interviews. These interviews will be performed along with phone calls and a general questionnaire administered during a service. This contract, in the amount of \$40,000, will be paid for by

an established capital campaign fund held by the Foundation. The contract has been reviewed by a Chancellor of the church and was approved by the finance committee.

4. Review Renewal of Fredericks Square line of credit

Mr. Baber presented the renewal of an existing letter of credit in the amount of \$300,000. This letter of credit is in the name of Fredericks Square Title Holding Company and solely for the use in operating the office building at 8100 Lomo Alto. This letter of credit is issued by Bank of Texas and is guaranteed by Saint Michael and All Angels church. This note was initially issued three years ago and has never been used. The operating cash balances held by Fredericks Square is in excess of \$500,000 and the building operates with a healthy positive cash flow. The letter of credit has never been drawn upon, but is in place primarily if a large capital outlay is needed for replacing a roof, or elevator update. The cost of this line of credit is a fee of \$500. The finance committee approved the renewal of the line of credit and will recommend the renewal to the Vestry.

5. Review of Terracon contract

Rev. Girata presented a \$15,900 contract from Terracon Consultants, Inc. for geotechnical engineering services. These geotechnical services are at the request of Beck Architectural in connection with the work Beck is completing related to the campus expansion. These services will be paid from the initial proceeds from the north land revenue. Rev. Girata explained that the Vestry will be establishing a committee to oversee the campus planning and will have the authority to approve these contracts in the future. This committee will also be establishing a budget for the next two years as Lincoln Property Company proceeds with the development on the north land. The church will need to coordinate with Lincoln's building construction and have the ability to utilize several services that will benefit the church during construction. The finance committee approved this contract and will recommend the contract to the Vestry.

6. Review of February 2020 financials

Mr. Baber reviewed the results of operations for the period ending February 29, 2020. Total net year to date operating revenue was \$1,959,055 versus a budget of \$1,600,116 resulting in a positive variance of \$358,939. Total year to date operating expenses were \$680,717 versus a budget of \$755,426 resulting in expense savings of \$74,709. This results in a net positive variance of \$433,648. Mr. Baber walked through a comparison of the 2019 February YTD revenue versus 2020 noting that 2020 revenue was higher by \$429,391. Most notably, collection of prior year pledge payments was \$94,954 higher than 2019 due to the collection efforts by the Rector and Stewardship Manager.

7. Additional Item

Rev. Girata shared information regarding the Corona Virus and the orders put in place by the Bishop. Wine will not be part of Communion, only bread will be served as Communion.

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