

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

Minutes, November 12, 2019

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

Ex-officio present: Bonner Allen (Junior Warden), Rob Baber (Director of Finance), Ken Brannon (Vice-Rector), Rev. Chris Girata (Rector), Warren Houser (Senior Warden), Jay Lipscomb (Warden At-Large) Caroline Marak (Stewardship Manager)

Guests: Richard D'Antoni (Stewardship Co-Chair)

Absent: Stuart Brown, Barry Hancock, Grady Schleier

1. Approval of agenda and minutes

The agenda for the meeting and the minutes from the October 15, 2019 meeting were approved.

2. Review of October 2019 financials

Mr. Baber reviewed the results of operations for the period ending October 31, 2019. Total net year to date operating revenue was \$4,504,115 versus a budget of \$4,324,108 resulting in a positive variance of \$180,007. Total year to date operating expenses were \$4,415,391 versus a budget of \$4,675,381 resulting in expense savings of \$259,990. This results in a net positive variance of \$439,997. Year to date we are maintaining a good positive revenue variance primarily in pledge revenue. Collection of prior year pledge balances continues to show a negative variance to budget. Operational expense variances continue to run a positive variances, but a couple capital projects brought a negative variance to our overall 2019 capital budget. 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. Next month an end of year projection will be added as we anticipate holding this positive variance through the end of the year.

3. Stewardship update

Ms. Marak updated the committee regarding the current activity in the stewardship area. Stewardship kicked off on October 6th and is experiencing very positive results. Through November 8th, pledges in the amount of \$3,726,437 have been received. Last year at this time \$2,770,165 in pledges had been received, but the 2019 official kick off was a little later on October 22nd. The stewardship committee had positive response during the month of October when committee members manned tables before and after services.

4. Merrill Lynch Update

Mr. Baber gave the background of the Merrill Lynch account and the connection with a long term parishioner. The Merrill Lynch account has two purposes. One purpose is an account where primarily the restricted funds are held in an interest bearing money market account. The second purpose of the account is to accept stock transfers from parishioners. According to our gift acceptance policy, the stocks are sold the first available day after receipt. The monies received from the stock sale is then forwarded to the church for deposit as a non-cash contribution and a non-cash contribution letter is produced by the finance office in recognition of the gift. Mr. Baber was contacted by the parishioner that originally formed this relationship to notify us that he has left Merrill Lynch and has partnered with another investment firm. Mr. Baber thanked him for the information and explained that this information will be given to the Finance Committee and we could possibly look at putting a request for proposal out for this account sometime in the spring. Meanwhile, Mr. Baber has contacted the Merrill Lynch office that took over our account and explained our intentions with the account to insure a smooth transition. This new office was pleased to receive our account and gave the assurance of a continued valued relationship.

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