

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

Minutes, November 17, 2020

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

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

Guests: None

Meeting held via Zoom Video Conference

1. Approval of agenda and minutes

The minutes from the October 20, 2020 meeting and the agenda were approved.

2. North Land Update

Ms. Kelley updated the committee on the north land. Currently, an extension agreement is in place with Lincoln that is renewed each month. November was the second extension exercised. At the request of the officers of SMAA NE Title Holding Company, the funds received for each monthly extension through December, will be deposited and held in the entity checking account for any normal operating expenses or funds needed during the first couple years of the land lease. The officers of the SMAA NE Title Holding Company are working on a new lease with Lincoln Properties that would encompass all the updates and changes that have transpired since the first lease was signed. The Campus Construction Committee is working with Lincoln and their general contractor, The Manhattan Group, in planning the start of construction probably during the first quarter of 2021.

3. 2021 Stewardship Update

Ms. Marak updated the committee regarding the current activity in for the 2021 stewardship campaign. Through November 15th, 563 pledges in the amount of \$4,084,389 have been received. This is behind the 2020 campaign by about 42 pledges and \$31,000. However, the average 2021 pledge is \$7,255 which is ahead of the 2020 average of \$6,802 over the same time frame. Rev. Girata added that among his colleagues of large Episcopal parishes in the Southeast, SMAA is doing well. The Stewardship Committee is calling parishioners that normally pledge during the month as a reminder and encouraging them to make their pledge for 2021.

4. Review of October 2020 financials

Mr. Baber reviewed the results of operations for the period ending October 31, 2020. Total net year to date operating revenue was \$4,808,340 versus a budget of \$4,659,190. 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 \$89,126. Total year to date operating expenses were \$4,518,599 versus a budget of \$4,974,626 resulting in expense savings of \$456,026. This results in a net positive variance of \$605,176 overall. 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 walked through a forecast of yearend variance by department. Since we budget a large collection of pledges in December, we are assuming we will miss the budget by approximately \$200K, which is purely an estimate. This would give us a negative net revenue variance of \$106K. We do anticipate to have a large positive expense variance of approximately \$283K. This would still net a nice positive variance of around \$176K. These figures are estimates and will be updated monthly.

5. 2021 Budget Update

Mr. Baber updated the committee on the 2021 budget process and encouraged members of the finance committee to reach out to their respective assigned departments and offer assistance. Mr. Baber will circulate an updated schedule of finance committee liaisons after the meeting. We have several ministry areas that are either new, or may need some assistance in completing the first draft of the 2021 budget. Originally the first draft of budgets were due from departments on November 16th, but several departments had requested some extra time for completion. The budget meetings will be held between December 2nd and 10th.

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