

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

Minutes, October 20, 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), Stewart Thomas (President, Saint Michael and All Angels Foundation of Dallas)

Guests: Chanta Bahn (Associate for Mission & Outreach), Steve Haal (Director of Communications)

Meeting held via Zoom Video Conference

Ms. Kelley introduced the guests attending the meeting today. Chanta Bahm is the Associate for Mission Outreach and Steve Haal is the Director of Communications at SMAA.

1. Approval of agenda and minutes

The minutes from the September 15, 2020 meeting and the agenda were approved.

2. Saint Michael's Woman's Exchange: credit card account

Ms. Odlozil presented the program to the committee. Currently the Exchange has a credit card with Bank of America, but the card does not have any reward programs available. The Exchange purchases about \$1 million in inventory on an annual basis, and 40% of the purchases are made by credit card.

Bank of America has a credit card that offers a cash back reward of 1.75%, but an individual has to assume joint and severable liability. Additionally, the credit account would be listed under their personal credit report.

Chase offers a corporate card with cash back of .34% to .37% for transaction volumes consistent to the current activity of the existing credit card account. Additionally, a demand deposit account will need to be opened with Chase for credit card payments to be drafted. The Exchange will maintain a balance of approximately \$100,000 in this account. The vendors pay all of the credit card expenses and the Exchange will see a cash back reward between \$1,360 and \$3,350 annually. The finance committee approved this corporate account to be opened.

3. Fund Solicitation: I Believe in Angels

Ms. Bhan presented the Fund Solicitation for the I Believe in Angels program. This program runs between November 1st and December 1st and provides preselected gifts to Jubilee families. Parishioners are solicited through the Arch Angel, online and email to purchase these gifts and drop them off at the church. Volunteers wrap the gifts and prepare them for distribution to the families in Jubilee. Additionally, contributions are accepted that are used to purchase gifts, wrapping paper and supplies. The fund solicitation was approved by the committee.

4. Fund Solicitation: Heart of Giving

Ms. Bhan presented the Fund Solicitation for the Heart of Giving program. This program runs from December 1st through December 20th. The Mission and Outreach Committee select 3-5 entities each year to include in the program. Parishioners are given the opportunity to contribute to these projects and receive acknowledgements to give as gifts to family and friends. These acknowledgements outline the entities and that a gift was made on the recipient's behalf. The entities selected this year are Aunt Bette's Community Pantry, The SMAA Clergy Good Samaritan Fund, The Jubilee Park and Community Center, and North Dallas Shared Ministries. Parishioners are solicited through the Arch Angel, online and email between November 1st and December 20th. The fund solicitation was approved by the committee.

5. Contract Approval: Public Relations Firm

Mr. Haal presented a contract from Sunwest Communications. The communications department is seeking to retain a public relations firm to assist with the church communications with parishioners and neighbors relating to several large projects within the coming months. Working with a public relations firm will ensure our communications are professional, clear, cohesive and coordinated regarding the projects including the capital campaign, northland development and 75th anniversary. The initial contract is from October 2020 through September 2021 at a rate of \$5,500 per month. These expenses will be covered by the capital campaign fund and not the operating budget. Pending a couple minor changes recommended by the Chancellor, the contract was approved by the committee.

6. 2021 Stewardship Update

Ms. Marak updated the committee regarding the current activity in the stewardship area. Stewardship Sunday was on October 4th and the Clergy, Vestry, Finance Committee and Foundation all had 100% participation. Through October 18th we have received 293 pledges in the amount of \$2,082,830. Last year, 253 pledges in the amount of \$1,836,174 had been received for a timing variance of \$246,656. The average 2021 pledge is \$7,109 which is slightly lower than last year at this time. The Stewardship Committee will be participating with other ministry groups for the last Farmers Market on October 31st.

7. Review of September 2020 financials

Mr. Baber reviewed the results of operations for the period ending September 30, 2020. Total net year to date operating revenue was \$4,320,834 versus a budget of \$4,164,741. 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 \$96,069. Total year to date operating expenses were \$4,087,738 versus a budget of \$4,541,160 resulting in expense savings of \$453,422. This results in a net positive variance of \$609,515 overall. Mr. Baber noted pledge revenue was over budget by approximately \$49K for the month of September. 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 \$156K. We do anticipate to have a large positive expense variance of approximately \$320K. This would still net a nice positive variance of around \$164K. These figures are estimates and will be updated monthly.

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