

**Finance Committee of the Vestry**  
**Saint Michael and All Angels Church**  
**Minutes, September 19, 2023**

**Present:** Janice Bywaters (Treasurer), Michael Cosby, Glenn Davison, Patrick Jenevein, Bill McGannon, Becky Odlozil, Michael Reddell, Jeanie Sikes, Jim Smith

**Ex-officio present:** Rob Baber (Director of Finance), The Rev. Ken Brannon (Vice-Rector), Caroline Moore (Director of Advancement), Kelly Reddell (Warden-at-Large), Arnold Spencer (Senior Warden)

Fr. Brannon opened the meeting with a prayer.

1. **Approval of June and August Minutes** – The minutes for the June 20, 2023 and August 15, 2023 meetings were approved.
2. **Overview of Construction Loan** – Ms. Bywaters outlined the need for a construction loan to bridge the gap between campaign contribution receipts (over a 5 year period) and the actual construction costs planned for the Church (over a 2.5 year period). Three banks were discussed as those to be evaluated for a loan commitment.
3. **Advancement Update** – Ms. Moore announced the Capital Campaign is 90% to goal, with \$53.3 million in pledges received from 206 donors. The public phase will be launched September 24<sup>th</sup>, with Capital and Annual Campaign mailings going out the following week. Ms. Moore informed the Committee that a Director of Stewardship has been hired and begins employment on September 20.
4. **Finance Committee Charter** – Fr. Brannon reviewed the Finance Committee Charter (Draft) to be presented to the Vestry the following day. He noted that the Finance Committee is one that is established by the Church Bylaws. After review of the components, Ms. Bywaters moved and Ms. Sikes seconded to forward the document to the Vestry for their approval. The motion was unanimously approved.
5. **Review of August 2023 Financials** – Mr. Baber reviewed the Statement of Activities and Statement of Position as of August 31, 2023.

Revenues – Current Year Pledge revenue was higher than budget for the period and year-to-date by \$118 thousand and \$75 thousand, respectively. Also, Unpledged Contributions were higher than budget for the period and year-to-date by \$19 thousand and \$87 thousand, respectively. Other Income is higher than budget by \$38 thousand due to interest income. Revenue Available exceeded budget by \$145 thousand for the period and by \$214 thousand year-to-date.

Expenses - Year-to-date Operating Expenses were less than budget by \$64 thousand, resulting in Revenue exceeding Expense by \$278 thousand. Mr. Baber noted that about \$50 thousand in credit card expenses are paid in arrears and not included in the August Statement of Activities. Areas discussed for which expenses are less than budget include Children and Family Ministry, due to unfilled positions (Salaries & Benefits), and Operations / Building Maintenance, due to fewer than expected large repairs, coupled with unfilled positions (Salaries & Benefits). Areas discussed where expenses exceed budget include Finance, due search firm fees to fill open positions, and Communications, due to transitioning printing to an outside firm. Communications expense will continue to exceed budget for the remainder of the year due to these changes.

The committee discussed timing of cash flows given current cash balances and potential means to cover any shortfalls, if they were to occur. Ms. Bywaters and Mr. Baber will prepare a proposal for the committee's review (planned for November), and based on that discussion, will potentially forward to the Vestry.

6. **Review of 2022 Audit and MCL** – The 2022 year-end financial audit is a “clean report” and has been presented to Audit Committee, Vestry, and sent to the Diocese. The accompanying Management Letter identified no issues which would require communication to the Audit Committee, and Fr. Brannon recognized Mr. Baber and his staff for their work.

Ms. Bywaters noted the next Finance Committee will be October 17, 2023. There being no further business, the meeting was adjourned.