

MINUTES OF THE MEETING OF THE VESTRY

The regular meeting of the Vestry of Saint Michael and All Angels Episcopal Church met on Wednesday, April 20, 2022, at 4:30 pm in the Theatre. Before the meeting, a communion service was held in the Saint Michael Chapel with The Rev. Andrew Grosso presiding.

Vestry members in attendance were Richard D'Antoni, Senior Warden; Erica Sartain, Junior Warden; Arnold Spencer Warden-At-Large; Stuart Brown, Eric Gilmour, Carol Goglia, Louise Griffeth, John McFarland, Jr., Holly Pena, Kelly Reddell, Darrel Rice, Carol Roehrig, Jack Rubarth and Ginger Sager.

Ex-Officio members in attendance included The Rev. Chris Girata, Rector; Janice Bywaters, Treasurer and Nancy Wilbur, Clerk. Others in attendance were The Rev. Ken Brannon, Rick Currey, Barry Hancock, Brett Ratliffe, Christie Gigliotti, Caroline Law, Caroline Marak and Bhav Marish.

Richard D'Antoni called the meeting to order and asked Holly Pena to give the prayer. He then made a motion to approve the Consent Agenda, and Carole Roehrig seconded the motion. The motion passed and the Consent Agenda was approved.

Richard introduced our guests Rick Currey and Barry Hancock, Co-Chairmen of the Campus Construction Committee and Brett Ratliff from Prichard Associates. Richard reminded all that he sent out a copy of the Summary of the Beck Agreements on April 16, 2022, and that a copy of the actual detailed agreements were available in Colleen O'Hara's office prior to today's meeting for review. He asked Rick and Barry to give the Vestry a brief overview of both the Architecture and Construction Agreements.

Rick referred to the handout the Vestry received detailing the Architecture agreement that was 35 pages long and involved a three-four-month negotiation process. He said that the market fees were the most difficult part of the negotiations as the process does not lend itself to consensus building because of the many committees that are involved when working with non-profits which also makes it more expensive than commercial dealings. Brett Ratliff told the Vestry that he had done a comparison study with other faith-based organizations in preparation for the negotiations which resulted in their getting a 6% market fee.

Richard asked the committee to explain to the Vestry how Beck Architecture and Beck Construction work along with Brett and Prichard Associates. Rick explained Beck as two different silos with two different profit centers. Brett said that when the architectural design is ready, Beck Architecture will give us different prices, and we shall have to work to a consensus on the schematic design. Beck Construction needs to be able to tell us what their market costs are. Construction then takes over the process, and Beck Architecture will ensure that everything is going as the drawings depict. He said that both sides have been working with the church since day one and that costs change according to design. Richard said that there has been a lot of good will to this point and that now we are entering the contract phase. He added that we still have

\$250,000 to spend in the \$1.8 million approved CCC budget for architectural services. Jack Rubarth asked if the construction costs and supply chain issues could be mitigated? Rick said that will be a huge challenge, and we need to move quickly through the process because it changes so rapidly. Brett said they will build in some escalation contingency clauses and that, in general, things are looking up. On CCC's recommendation, Richard made a motion to approve the Beck Architecture LLC contract. It was seconded by Arnold Spencer and the motion passed.

Rick Currey addressed the Beck Construction Contract which is 164 pages long. He said that the two Beck organizations will be working together for the church's benefit, and that they are going to try to streamline the process. He advised that the Vestry pay attention as the process moves along. Arnold then asked if there would be incremental payments made. Rick Currey said that they would lock in the contracts (3-7 of them) individually as they come in, and they will come back to the Vestry to ask for approval with each contract. The first thing will be the utility trench work such as the conduits along Colgate Avenue. On CCC's recommendation, Richard made a motion to approve the Beck Construction Contract, Kelly Reddell seconded it, and the motion was approved.

The third item to be approved was for \$488,000 to pay for the trenchwork that needs to be done for the conduits along Colgate Avenue for the utility lines. On behalf of the CCC, Richard made a motion to approve the money for this work out of the Capital Campaign funds as recommended by the Finance Committee, and Arnold Spencer seconded the motion. The motion was approved. Richard said that the Finance Committee will recommend the source of funds for Vestry approved contracts.

RECTOR'S REPORT

Chris asked the Vestry to refer to the Parochial Report in their packets. He described this report as the annual audit of the church. Chris said the church has been updating its membership roles to eliminate persons who are deceased, who have moved from Dallas or who remain on the roles but are not active. He pointed out that a person canonically cannot be removed from the church roles without their consent if they are still alive. The church can, however, put them on an inactive list. Chris said that the total number of people who actually worship at Saint Michael regularly is about 3500. Richard asked why St. is not spelled out in the report, and Ken Brannon answered that is the way the Diocese lists the name of our church. The question was asked if on the report, it was possible to identify "hybrid" members who both worship in person and also worship online. Chris said they probably should check Hybrid on the Parochial report. Eric asked if we could identify online members if they were not physically in Dallas. Chris added that this report is used as our Diocesan assessment, and it includes both active and inactive members. Richard moved to approve the Parochial Report, and Kelley Reddell seconded the motion. The motion was approved.

The Spring Vestry Retreat will be Saturday, April 30. Chris told the Vestry that there will be three sessions.

The first session will deal with clarifying the church's purpose, vision and direction going forward. It will be a brainstorming session, and Chris is suggesting that the Vestry members bring both their personal and corporeal priorities to the meeting. He feels that there are cultural gaps that need to be addressed. We need to ask our members to really think about what they want over the next 3-10 years for our church. What matters beyond oneself to the church at large? What do we hope that the church can be? He said we must be appropriately critical to help move our church forward. In this first session, it is all right to repeat or reiterate without being redundant.

In the second session, the emphasis will be spent looking at everything addressed in the first session, and we shall begin unifying our ideas - our macro priorities - referring to the 4 major ideas outlined on the blue handout in the Vestry packets. Chris said that we will be investing in areas of our missional life that do not yet exist. It will be a discipleship formation of our members. The Clergy will be building Christian disciples for our transformed community. We should ask ourselves what that will look like.

In the third session, Chris would like for the Vestry to take the macro ideas and align them around top priorities. He pointed out that we may have to say no to some very good ideas so that we may accomplish a few big things. The Executive Committee and the LIO Executive Staff members will be working to operationalize missional priorities. The core focus of Clergy leaders is building Christian discipleship for a transformed community. What does that look like? He said to not worry about repetitions if you are in attendance as this is meant to be a thoughtful session. Chris referred to the handout showing both the 1-year Plan and the 3-year Picture. He said that 3 years is about strategy, and he asked that everyone think through carefully about how we can engage people in a lot of different ways. In a spiritual sense, we should ask what am I missing? Chris reiterated that there will be 10 cycles of 3 years each so there is a real opportunity to make changes if we take 1-2 things at a time. Chris, himself, wants to be well informed about the Vestry's thoughts after this retreat. Kelly Reddell asked if an example in preparing for the retreat might be for herself, visualizing stepping into Saint Michael church 3 years from now and asking herself "what has changed".

SENIOR WARDEN – no report

JUNIOR WARDEN

Erica Sartain reminded the Vestry again about Church Training. She said that she and Arnold went on the SMES tour and that the school is doing an incredible job. Carol Goglia then asked what the church is doing with the space that previously housed ESD? Chris explained that we are using the space for our new school, but we cannot use the upstairs area for children's classes due to fire restrictions etc. thus it is being used for church educational purposes.

FINANCIAL REPORT

Janice Bywater, Treasurer reported on the Finance Committee meeting Tuesday, April 19th.

With the recommendation from our Senior Warden, the Finance Committee discussed the benefit of the Finance Committee reviewing funding requests for the Capital Construction Project. All agreed that the Finance Committee's role will include confirming that the request for payment is a budgeted expense and that funds are available for payment. Considering this, Barry Hancock and Rick Currey reviewed with the committee the planned utility work on Colgate, budgeted at \$488,000, as part of the Central Utility Plan. The Finance Committee voted unanimously to recommend to the Vestry funding out of the Capital Campaign funds.

Total Operating Revenue continues to exceed budget as we are experiencing a number of pledgers paying their pledges early. YTD revenue of almost \$2.6MM is \$162M ahead of budget. Expenses are under budget by almost \$75M, but this is simply timing differences. The bottom line is that we have a \$237M positive variance to budget, but we expect this to narrow in the coming months.

Janice said that the Finance Committee will establish a routine of deciding how the next funds will be dispersed, and that this will be helpful to the Vestry. Other news, the audit process has begun.

ADVANCEMENT REPORT

Caroline Law reported that the Capital Campaign has good momentum. She said that \$21.8M has been pledged to date, and \$14M of that amount has been collected. Caroline said that there are 19 meetings with "A List" prospects scheduled going forward, and that they have been presenting to small groups of 3-6 couples at a time. Caroline pointed out that sometimes a person's giving history is not indicative of their ability to give. Richard asked as a point of reference if there is a rule of thumb for the average family pledging unit and is there a multiple of that for donating purposes. Chris responded that many businesses use the formula of 5-6 times annual revenue as a healthy figure.

Arnold asked if there was a possibility that people will not fulfill their pledges and if so, should we elevate the goal? Caroline responded that she has not seen that happen. Erica Sartain asked if there were any common threads from those who have been asked to donate to the Capital Campaign. Caroline mentioned two. Our parishioners do not want to build another sanctuary, and they want to know if our Rector is here to stay. Chris added that a capital gift is an asset gift, and assets can far outpace income.

STEWARDSHIP REPORT

Caroline asked the Vestry members to take home a packet or two of thank you notes to send to those parishioners who have pledged. She feels that we have been very successful in the past doing this as a way of cultivating our gift givers.

NEW BUSINESS

Chris gave an HR update saying that we have hired a Coordinator for Small Groups and an Assistant for Worship and Liturgy. He said that there remain a couple of positions that are still open in Finance and the Foundation. Chris also emphasized that all of our assistants are very well qualified and well prepared to do more. He said the investment we made in the firms to help us with hiring has been invaluable, and he thanked the Vestry for making that possible. Ken added that Melissa Bray and Colleen O'Hara have been a tremendous help in this process.

The 75th Anniversary Birthday Party scheduled for Sunday, April 25th, has been cancelled due to inclement weather reports for that day. Our Pentecost celebration on June 5 will be expanded to include celebrating the church's 75th birthday.

Richard asked if there was any more old or new business and having none, the meeting was adjourned.

Respectfully submitted,

Nancy Wilbur
Clerk of the Vestry