

MINUTES OF THE MEETING OF THE VESTRY

August 18, 2021

The regular meeting of the Vestry of Saint Michael and All Angels Episcopal Church convened on Wednesday, August 18, 2021 at 4:30 pm via ZOOM.

Vestry members in attendance were Blair Oden, Senior Warden; Stacey Malcolmson, Junior Warden; Richard D'Antoni, Warden-at-Large; George Baldwin, Louise Griffeth, Hallie Lawrence, John McFarland, Jr., Steve McKenney, Holly Pena, Carol Roehrig, Jack Rubarth, Ginger Sager and Erica Sartain.

Ex-officio members in attendance included The Rev. Dr. Chris Girata, Rector; Janice Bywaters, Treasurer, and Nancy Wilbur, Clerk. Others in attendance were Rob Baber, The Rev. Ken Brannon, Rick Currey, Kathryn Felder, Steve Haal, Barry Hancock, Colleen O'Hara, Gary Hawkins, Caroline Marak, Becky Odolitzil, Cassie Pericak, Brett Ratliff, Tim Smith and Stewart Thomas.

Richard D'Antoni opened the meeting with a prayer. Blair asked everyone if they had reviewed the Consent Agenda and then made a motion to approve the minutes from the last meeting. The motion was seconded by John McFarland, Jr. and was passed.

Blair welcomed our guests in attendance today. He invited Becky Odolitzil, Chairman of the Saint Michael Women's Exchange, to speak to the Vestry about the Exchange. Becky referred to the Exchange as a "Jewel of a Ministry" that is 63 years old. The proceeds from the Exchange are given each year to the WOSM to be combined with any monies they have raised, and this money is then returned to the greater community. To date, over \$10 million has been given in grants. Becky said that the Exchange is a ministry for the volunteers as well as the employees. Katharine Felder, Chairman Elect, spoke about the activities that are on the Exchange's calendar for the rest of the year, one of which is a private shopping event on September 8 from 5:30-7:00 pm for Vestry members, the Clergy and members of the Finance Committee. Blair thanked Becky and Katharine for coming.

Blair introduced Barry Hancock, Rick Currey and Brett Ratliff who were in attendance to give their Campus Construction Committee Update. They provided a spreadsheet for Vestry members to see that included the Design/Consultant Costs to Date, the Remaining Design & Consulting Fees (2020) and Other Pre-Construction Costs (2021). Rick said that they have been working with Lincoln to restate the amended lease agreement into one document. He then went over the spreadsheet that was in the Vestry packet. Overall, our expenses are in line with projections with the exception of the unanticipated temporary parking lot in the west field. The \$1.8 M gift received from LPC is being used to fund these expenses. Brett Ratliff of Prichard and Associates Construction Management who has joined the CCC told us that there will likely be expenses that are over budget and some that cannot be identified at this time. For example, discovering the need to move utilities on the Colgate side of the church.

Some of these needs will not occur until much later. Blair feels we are in good shape right now relative to this process, and Rick affirmed that we are not going to run out of money even though there is some guess work in how the money will be used. They are projecting that we will be spending all of the \$1.8 million dollars. Blair reiterated that we are very fortunate to have Brett, Rick and Barry working with us.

RECTOR'S REPORT

Chris introduced and welcomed Dr. Tim Smith, our new Director of Formation. Tim has been an executive pastor in many different Methodist Churches. He is originally from Kansas City and attended Tulane University. Tim and his wife lived 30 years in NOLA. His wife is Director of Sales at Channel 8, WFAA here in Dallas. Tim thanked Chris and said how glad there were to be at Saint Michael's. He said that it is a unique experience to join a team of such highly gifted leaders, pastors and staff. He sees a very bright future for Saint Michael.

Chris then discussed the new fall sermon series entitled "Gifted" which he described as an investment in time and talent meant to engage more people in the church who are not yet involved. Parishioners, as well as the Vestry, will be asked to pledge their time and/or talent in one or two of 8 specific macro ministries of "giftedness" in the church. Volunteers and clergy will be calling each person who pledges to help them decide where they might best be involved. Greg Pickens, Andrew Grosso and Mary Lessmann have designed a discerning program for those who may not sure into which groups their talents fit. This series begins August 21 when the formation ministries will be featured.

The second half of our Gifted Campaign will be the "ask of investment of treasure". This will happen on the first Sunday of October when we will be announcing the Annual Giving Campaign and the launch of the Capital Campaign. Chris feels that we are reforming our church community in a very significant way. He said that we need to be more consistent in the capital investment in our church with more defined arms in ways of giving. The first-ever retreat focused on Giving on Thursday, August 19 will include all of the leaders in the church who are involved in this area.

Chris said that the contract with CCS has been executed, and we have actively recruited the entire Campaign Leadership Team. The team will be helpful in providing feedback to Chris as we move forward. Chris suggested that in September he would be able to give the Vestry more information about all that is occurring on October 3. George Baldwin asked if we had a finish date on the campaign. Chris hopes that by October 2022 we will be able to define that finish line based on where we are at that time. Stacey asked how much had to be raised before we could begin construction. Chris said we need to have more information about the gifts to answer that question. It depends on the response to the Campaign and the gifts that we receive. We need to be very good at explaining that every gift is important and to be able to identify to those we are asking exactly where their gifts can be of the most help. Rick Currey added that we should continue to have clear communication about where the \$1.8 million dollars from Lincoln is being spent right now. That money is not to be confused with the campus construction funds. Chris asked the Vestry to be open to for questions people might ask and to refer those questions to him and those in leadership positions.

Chris thanked the Vestry for the engagement at the April Vestry meeting that helped to form the VTO. He is working to define his annual goals that were born out of that meeting, and he has been working with Holly Pena and Erica Sartain to further define these goals. Chris feels his goals should align with the VTO goals.

Chris then said that he would like to get the Vestry's approval for a small group of parishioners and staff to help him discuss ways to lovingly improve some areas in the existing building so that it will look as good as the new things that are being done around it. Chris wanted the Vestry to know that one of primary things they are going to research is the choir loft and the organ, and they plan to engage experts in those fields to help. Blair made a motion to affirm this recommendation of a group to do research, and it was seconded and approved.

Chris will be inviting the congregation to add funds to our Relief Fund as we are making a gift of \$25,000 from the Relief Fund to go to Haiti specifically. This will be announced on Sunday.

Ken then gave us a staffing update. New members of the staff include Tim Smith, Director of Formation; Nate Bostian, Sunday Assistant, and Beth Igoe, Administrator for Children and Family Ministry and Youth Ministry. Those who have left are Chanta Bahn, Chase Monson and Meredith Rose. The open positions are for an Engagement Director, a Campaign Director, an Administrator for Finance, an Administrator for Operations, and an Associate for Mission and Outreach.

SENIOR WARDEN'S REPORT

Blair reminded the Vestry that the time is approaching to make nominations for the Vestry and Diocesan delegates. We need two people for the Diocese with two alternates, and we need 5 people for the Vestry. He will send out the nomination forms to the Vestry, and he would like to have 10 nominees for the nominating committee to vet when they meet on September 9. That committee will propose a slate of candidates to the Vestry for approval at the September meeting, and that slate will go on to the annual meeting for approval.

Blair said that we have 3 new clergy members, Tim Smith, Christian Basel, and Andrew Grosso for whom we need to approve housing allowances as well as the need for a partial approval for Chanta Bahn from when she was with us. This is purely for their benefit as it relates to the IRS. He made a motion for approval, Richard D'Antoni seconded it. The motion passed.

JUNIOR WARDEN'S REPORT – no report

STEWARDSHIP REPORT

Caroline said that she is excited about the upcoming retreat that was previously discussed. Her committee is busy planning for the fall. They are trying to increase their pledging units especially in the 30-40 age group. They are going to have a scavenger hunt that is centered around spiritual gifts that ties in with the "giftedness" theme that the church is doing. They are also assessing their volunteer needs for this project, and she may call on some Vestry members to help. There will be gifts and prizes. Ross Taylor will come to the next Vestry meeting to talk about the individual Vestry member's gifts for the upcoming year. They want all major entities in the church to be onboard. October 4 is Stewardship Sunday.

FINANCIAL REPORT

Janice Bywaters, Treasurer, reported on the Finance Committee meeting on Tuesday, August 17th. The meeting began with a fund solicitation request from Jonathan Ryan, Director of Music, to raise scholarship funds for upcoming chorister travel and pilgrimage plans. The request is to pass a plate at two Evensong events and have a giving basket at the May Gala. He is uncertain what he will raise and does not at this point have a target. The Finance Committee approved this request and recommended that a separate reserve account be established for chorister scholarships.

Rob updated the committee on the PPP loan forgiveness. The church's portion is \$735M. This amount has been transferred to a Vestry designated fund supporting payroll over the next 3 years. You can see it

on page 1 of 4 on the SMAA Restricted Funds balance sheet. The Diocese will assess the church on this but at the same time, they are reducing our overall rate so the net effect to us will be positive.

Financials for the 7 months ending 7/31/21 look good. We have recovered lost ground from the sluggish pledging revenue in April. It appears that the 2021 pattern of giving is skewed from prior years making monthly budgeting more of a challenge. Current year pledges are less than \$100M below budget and prior year pledges are \$67M ahead of budget. Therefore, the 7-month Total Operating Revenue of approximately \$4.4MM ended below only \$47M budget.

Expenses continue to be under budget. As we have discussed, we have vacancy in a couple of key positions, Director of Engagement and M&O. Also, there are other less costly positions that need to be filled. We are working with an HR firm to help with this effort, but until these positions are filled, we will continue to have positive expense variances. It is probably not a bad year to have a midyear financial cushion.

The 7-month period ended with a \$250M revenue surplus, which is a \$136M positive variance to budget Blair pointed out that there is 100% consensus that we do not budget to make a surplus. We budget to make our money work.

OLD AND NEW BUSINESS

George Baldwin gave a M&O update. He said that the Heart of Giving proceeds this year were distributed between Austin Street Center, Meals on Wheels and Honduras Tela Mission. He asked the Vestry for their ideas for the Christmas offering and the Easter plate offering. Those need to be determined soon. Please send any suggestions to George or to Zoe Hart or Paige Wilbur, the Co-Chairs of M&O.

Ken told the Vestry that there is an immediate need to fill the position of a Capital Campaign Director to support CCS and to assist Chris with asks etc. He would like approval against the funds raised by the Capital Campaign, of up to \$150,000 annually for 3 years for this position. He said that we would also need an ad man. Ken would like to have approval now and then update the Vestry in 2022 with any specifics. Stacey Malcolmson made a motion for this to be approved, and it was seconded by Holly Pena. Chris pointed out that the expense would be coming out of our budget, but it would be eventually charged to the campaign. The motion passed.

The meeting was adjourned.

Respectfully submitted,

Nancy Wilbur
Clerk of the Vestry