

Finance Committee of the Vestry
Saint Michael and All Angels Church
Minutes, April 18, 2023

Present: Janice Bywaters (Treasurer), Michael Cosby, Glenn Davison, Patrick Jenevein, Kathy Kelley, Bill McGannon, Michael Reddell, Jeannie Sikes, Jim Smith, Chris Wiley.

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

Michael Cosby was introduced by Ms. Bywaters as the newest member of the Finance Committee.

1. **Approval of minutes and Announcements** – Ms. Bywaters moved the minutes from the March 21, 2023 meeting be approved. The minutes were unanimously approved.
2. **Capital Campaign Update** – Rev. Brannon addressed the committee regarding updates to the capital campaign project. The Pre-Covid estimates for hard costs of the capital project were \$50MM. The Capital Campaign Committee has been working diligently with the architects and the design committee to get a revised estimate for hard costs. Through much work by the Beck crew and our devoted architect/design crew, a revised estimate is now \$57.2MM with an additional \$10MM in campaign and soft costs. The committees continues to work with the estimates as designs approach finalization and the final blueprints can be completed so the project can be put out for actual bid. We are not changing the capital campaign goal at this time. The committee would like to have more solid numbers before a stretch goal is announced and the campaign goes public in the fall.

Ms. Moore announced the Advancement Department is ahead of schedule with pledges of \$49.6MM in hand and a stretch goal should be attainable given the very positive response the team has received thus far.

3. **Capital Construction Update** – Ms. Bywaters discussed the updated budget schedules from the Construction Managers and the design work continues and all costs are within budget at this time.

4. Review of March 2023 Financials

Mr. Baber presented the Statement of Activities for March 31, 2023.

Revenues - Total Operating Revenue was \$126 thousand lower than budget for the month, with Current Year Pledges below budget by \$107 thousand and Prior Year Pledges and Unpledged Contributions together lower than budget by \$22 thousand. Year to date Total Revenue Available was lower than budget by \$112 thousand. The advancement department is working to collect on unpaid 2022 pledges in addition to analyzing the 2023 giving to date.

Expenses - Total Operating Expense were below budget by \$14 thousand for the month and \$19 thousand year to date. There are no reportable variances at the department level at this time since we are just one quarter into the year. The Net Revenue Over Expenses as of March 31, 2023, was \$92 thousand negative variance to budget.

5. **Review of Sabbatical Policy for Clergy** – Rev. Brannon reviewed the draft policy that was circulated with the finance committee package. This is updating a policy that was last passed by the Vestry in 2017. The policy gives clergy the opportunity to take a sabbatical after 5 years employment or 7 years employment. Financial consideration is paid in addition to the normal salary and benefits to encourage the clergy to take some real time away to concentrate on renewing their mind and body both physically and spiritually. The church budgets a set amount each year that is placed in a restricted fund in anticipation of upcoming clergy sabbaticals. As part of the policy, continued employment is expected after a sabbatical is taken. After discussion by the committee regarding the exact language in the policy, it was decided the policy will be updated and presented in a future meeting.
6. **Inwood National Bank Relationship** – Ms. Bywaters presented a proposal to open a checking account at Inwood National Bank. Ms. Bywaters and Mr. Baber had meetings with Bank of Texas, our current primary bank, and Inwood National Bank last year. Inwood has a history of treating churches and non-profits very favorably. They do not charge churches and non-profits any types of fees on checking accounts and only filing fees and appraisal fees on loans. Additionally, they are willing to pay 4% interest on checking account deposits. A motion was made and the committee approved opening a checking account with \$1MM at Inwood National Bank.
7. **New / Old Business** –

Ms. Bywaters thanked the committee for reviewing and approving a late Fund Solicitation submitted by the Mission and Outreach and Youth department after the March finance committee meeting. The committee was able to approve the fund solicitation by email and the youth group raised over \$2,600 selling cinnamon rolls to buy supplies and goods to use and distribute during their mission trip this summer.

Ms. Bywaters noted the next Finance Committee will be May 16, 2023. There being no further business, the meeting was adjourned.