

## THE MINUTES OF THE MEETING OF THE VESTRY

The first meeting of 2023 of the Vestry of Saint Michael and All Angels Episcopal Church was called to order at 4:30 p.m. Wednesday, January 18, 2023, by Senior Warden Arnold Spencer, in the Theater. Before the meeting, Holy Eucharist was held in the Bishop Moore Chapel with the Rev. Greg Pickens as Celebrant.

Vestry members in attendance were Arnold Spencer, Senior Warden; Holly Peña, Junior Warden; Kelly Reddell, Warden-at-Large; Dee Ann Anigian, Allison Bovard, Stuart Brown, Squeaky Connolly, Eric Gilmour, Carol Goglia, Carol Roehrig, Jack Rubarth, Ginger Sager, and Hudson Weichsel.

Ex-Officio members in attendance were the Rev. Dr. Chris Girata, Rector; the Rev. Ken Brannon, Vice-Rector; Janice Bywaters, Treasurer; Dianna Bowen, Chancellor; and Mary Louise Hopson, Clerk. Others in attendance were the Rev. Robin Hinkle, Rob Baber, Colleen O'Hara, Steve Haal, Caroline (Law) Moore, Caroline Marak, Tony Briggie, and Bhavnita Masih.

Arnold Spencer called the meeting to order and led the Vestry in prayer. Arnold then welcomed the 2023 Vestry members as well as the returning members. He called the group's attention to the agenda, which will serve as a guide for each meeting. Arnold asked if there were any changes to minutes of the December 14, 2022 minutes as contained in the Consent Agenda in the meeting packets. There were changes to the minutes, which were noted. Arnold moved to approve the minutes subject to those corrections. Kelly Reddell seconded, and the motion passed. Arnold reviewed the purpose of the Consent Agenda, which is used to improve the efficiency of Vestry meetings. The packet of materials distributed in advance of each meeting, which includes the Consent Agenda, should be reviewed in advance of each meeting. If any member would like to discuss an item in further detail, he or she can request that an item be removed from the Consent Agenda for discussion. In the absence of such a request, the Consent Agenda and reports are adopted at the meeting. Arnold asked if there was any discussion to the remaining Consent Agenda, and hearing none, entertained a motion that the Consent Agenda be adopted. Ginger Sager so moved, Holly Peña seconded, and the motion passed.

### RECTOR'S REPORT

Chris reminded everyone that a social gathering “moment” will be held with the members of the Foundation in the Parlor immediately following the meeting. Regarding the Consent Agenda, he said that the four components as presented in the meeting agenda format will remain consistent, including standard items as well as reports divided by type of organization. This approach will reflect existing organizational structure and help differentiate among the various types of organizations. Standing Committees are created pursuant to the SMAA By-Laws and report to the Vestry, and are encouraged to submit reports regularly when needed. Affiliates are legal entities under the Saint Michael corporate structure, e. g., Saint Michael Episcopal School (SMES), and are encouraged to report periodically. Community Partners are independent, community organizations that the church supports, e. g., Jubilee, and are invited to submit reports as appropriate.

Chris also reminded the Vestry of the requirement to complete the safe church training, preferably by the end of January. He emphasized the importance of the training from a preventative standpoint and added that the goal of the program is to keep our children safe.

The next Saint Michael 101 lunch meeting is to be held Sunday, January 29. Chris stated that there is a very positive atmosphere in these sessions, and the participants are excited about the church. He asked for volunteers to help host tables at the January 29 session. Dee Ann Anigian, Allison Bovard, Squeaky Connolly, and Hudson Weichsel will participate.

Chris also reported on the six Institutional Goals, as included in the Vestry packet:

1. The welcome program is making good progress. The first six months emphasized expanding the ministry and engaging generally on campus. This Spring the emphasis will be on asking people to go deeper in their commitment by identifying a specific way they can increase their involvement.
2. The analysis of data needs is being handled by Colleen O’Hara and other staff members. Ken added that tasks have been identified which enables the configuration process to begin. Jack Rubarth stated that the decision to keep Touchpoint enables us now to be ready to start training and identify gaps in what needs to be accomplished. Stuart Brown will put together a road map for those tasks in advance of a meeting on February 2.
3. Construction activity is ongoing. Colleen is working with staff to identify times the building will be closed due to construction and compare that schedule with the church’s specific scheduling needs, in the hopes that the timing may be adjusted if necessary to fit the church’s program calendar. This will be discussed at the next Architectural Review Committee (ARC) meeting. The Vestry partners have not yet met on this matter.
4. Standing Committees of the Vestry. Vestry partners Ginger Sager, Dee Ann Anigian, LeAnne Langholz, and Squeaky Connolly have just met, with Ken spearheading this effort. A rollout plan encompassing the next two years is in place, with the task to identify people and needs, and provide support with advocacy and allocation of resources. Ken added that as we transition to the new format, the Standing Committees will report directly to the Vestry, with information captured in the meeting Consent

Agendas. Some committees are still awaiting their Vestry assignments. Arnold Spencer requested that a temporary Vestry person serve in the roles until assignments can be made.

5. Annual giving - to increase over 5% in both dollars and units. Chris reported that good progress is being made and that we are very close to reaching this goal.
6. Discipleship and small groups – Chris reported that he is pleased with this effort. Different styles of groups are being tested out, with feedback sought from these groups to truly understand what people want. Carol Roehrig added that a meeting was held with The Rev. Andrew Grosso to discuss his ideas of discipleship, with follow-up meetings planned.

Chris also reported on the following four Personal Goals, as included in the Vestry packet:

1. The threshold of 75% for the Capital Campaign has been reached.
2. Thought leadership – this process is going well with Sunwest Partners, the church's p.r. advisers. The firm helped in the post-zoning phase of the Lincoln Property project. It is now shifting focus, as we progress on the Capital Campaign, to fully focus on the impact of the church's offerings. The firm will go beyond crisis communications to including positive p.r. to let people know about the church and how we impact discipleship formation.
3. Chris reported that a meeting will be held next week with his new peer clergy group.
4. Chris reported that work on his personal development plan, begun in 2021, is progressing. Stuart Brown is assisting.

### SENIOR WARDEN'S REPORT

Arnold Spencer reported that the church is wrapping up the myriad Christmas and Epiphany activities in December and January.

A preliminary 2023 budget is finished, with the final budget to be adopted at the February meeting. Arnold shared his expectations of how the Vestry meetings will be conducted, citing some of the successful approaches used by previous Senior Wardens that he would like to emphasize with this year's Vestry. This is a committee which is doing very intentional work that focuses on the strategy of the church, rather than members' own individual personal agendas. Members should come prepared to think strategically at meetings. The Consent Agenda will help manage time and provides information about progress towards goals. He also stated that this is an organization that does almost all its work by consensus, a key in how we come to the right resolution. To help maximize our time, we will review the information packet circulated in advance to help develop strategic consensus-based decisions, in a constructive and collaborative manner, at the Vestry meetings. Identifying goals and subcommittees will put each of the Vestry members in a much more active role. He encouraged everyone to be brief

when giving their reports, and said it is acceptable to file no report when a report isn't necessary.

Vestry members are expected to attend the meetings in person, rather than virtually, except when absolutely necessary. He encouraged attendance at the service of Holy Eucharist held before each meeting as a valued way to highlight what we do as a Vestry. He called attention to today's service and the homily that the Rev. Greg Pickens shared.

### JUNIOR WARDEN'S REPORT

Junior Warden Holly Peña reminded the new Vestry members to get their conflict of interest, stewardship commitment, and other documents completed if they had not already done so, and to complete the safe church training required of all Vestry members.

### TREASURER'S REPORT

Janice Bywaters, Treasurer, reported on the Finance Committee meeting Tuesday, January 16. The year ended very well. The soft close indicates that we will end the year with approximately \$8.2MM in Total Operating Revenue; this is \$290M over budget and \$434M over last year. This is driven by parishioners fully meeting their pledge commitments, but also we exceeded budget in both plate revenue and unpledged contributions. While a lot goes into exceeding budget, our advancement team has done an excellent job. After diocese assessment and other outreach contributions, Total Revenue available is \$7.3MM or 4.1% over budget.

Expenses came in as expected. The soft close includes expenses associated with the performance bonuses and the inflation adjustment that the Vestry approved last month. Both Communication and Administration were over budget as expected. In Communication, printing expenses exceeded budget and in Administration we incurred much needed computer and training expenses. As we have mentioned, the year began and ended with staff vacancies in Youth and CFM; therefore, both areas are under budget.

The soft close indicates we will end the year with close to \$130M surplus. Typically, there are non-recurring needs we address with the surplus. The Rector and Vice Rector will make recommendations to the Wardens, the recommendations will be reviewed in FC, and Janice will make a recommendation next month for Vestry approval.

The 2023 budget is in process. It will be completed in February after the 2023 Stewardship Campaign is finalized. The budget will be presented to the Vestry next month for approval.

Other good news – the Lomo Alto building debt was repaid, as discussed last month, and we were delighted to realize that we no longer have a \$6,000 monthly interest payment due. For references's sake, if you were to look at our financials the Lomo Alto debt was held in the SMAA

wholly owned affiliate, Frederick Square. In addition, while working on banking issues BOT has now eliminated bank processing fees and increased earnings to SMAA on excess balances.

Ken added that he wanted to share with the Vestry that the recent performance awards given to the staff have been very much appreciated.

### ADVANCEMENT AND CONSTRUCTION

Advancement – Caroline (Law) Moore reported that we are 77% to goal for the Capital Campaign. Staff continues to have meetings with parishioners and response is positive. Additional families have been identified for individual conversations. Caroline Marak reported on the Stewardship Campaign, stating that we are 97% to goal. There are ongoing communications with parishioners who participate in groups such as Altar Guild and Greeters, and to new Saint Michael Episcopal (SMES) families. She invited any Vestry members who are available to help make telephone calls to parishioners about their pledges to let her know. Information will be provided to help in making the calls.

Caroline Moore announced that Rose Donohue will join the advancement staff starting Monday to help with the capital campaign and will later support the Foundation. Christie Rodriguez, who has been very effective in her work, is a consultant, not an employee; therefore, the addition of Rose will help with efforts going forward.

Architectural Review Committee (ARC) – Carol Roehrig reported that the ARC has begun in-depth work re: materials and budgets. Details, such as refining locations of walls, are presently being reviewed and adjusted.

Campus Construction Committee (CCC) - Janice reported that spending in both the Pre-Development and Preliminary Budget is consistent with planned expenditures. The major shift this month is an increase in architectural fees for design work on Phase 2 and 3.

### OLD BUSINESS

Arnold reported that work on the Sabbatical policy is still in progress, pending committee appointments. Since there was no other Old Business, Arnold moved to New Business.

### NEW BUSINESS

Approval of Audit Firm – Arnold reported that each year the Vestry considers approval of the audit firm, as recommended by the Audit Committee. Rob Baber reported that the Audit Committee, chaired by George Baldwin, which reports directly to the Vestry, has recommended the approval to continue using the firm of Capin Crouse as auditors. This firm limits its work to

churches and schools, and has been used by the church for 11 years. When asked about the bidding process, Rob stated that the last bidding process, conducted in 2010, showed the firm to be far superior to others under consideration, as to price, efficiencies, knowledge of SMAA, and tax resources. The firm also does the Foundation and Saint Michael Episcopal School (SMES) audits. Arnold Spencer recommended that we communicate to the Audit Committee the recommendation to consider bidding out the process next year. Arnold then moved that the Vestry adopt the recommendation of the Audit Committee to approve the firm of Capin Crouse as auditors. Carol Roehrig seconded, and the motion passed.

Shared Services Agreement (SSA) – This agreement was executed in 2017 between the church and Saint Michael Episcopal School (SMES) to establish the relationship between the two entities. It is an expense sharing agreement and not a lease agreement, with the focus on expenses associated with allocation of space and operations support. Rob reviewed the details of the agreement and attached exhibits as included in the Vestry packet. As the school has grown it has required increasing amounts of support and space. The school took over additional space in May 2020, resulting in a larger allocation of expenses to the school. Rob has worked with SMES leadership, Colleen O'Hara, and church operations and finance departments to adjust the calculation to reflect these changes. The current information trues up to actual expenses. Chris noted that the agreement itself isn't changing; it's a recalculation of what the school is paying, reflecting the increase in space and necessary support. The church funded a significant deficit of SMES as it was getting started. The school is now cash-flow positive. Chris added that the school continues to attract an expanding number of students and to raise the quality of teaching, so the goals identified in the earlier years of the school have been accomplished. Chris added that SMES is not a ministry of the church directly; it is an affiliate of the church. The agreement will be revisited in 2-3 years after construction is completed to assess changes in square footage and support needs. Ginger Sager is Vestry member assigned to the school board and Chris is also on the board. Arnold moved that the Vestry approve the updates to the exhibits to the Shared Services Agreement (SSA). Kelly Reddell seconded, and the motion passed.

#### EXECUTIVE SESSION

Arnold stated the standing policy of going into Executive Session at each Vestry meeting. He thanked everyone for attending today's meeting. The Executive Session started at 5:36 p.m.

Arnold declared the Executive Session closed and the meeting back in full session, and then declared the meeting adjourned at 5:42 p.m.

Respectfully submitted,

Mary Louise C. Hopson

Clerk of the Vestry