

THE MINUTES OF THE MEETING OF THE VESTRY

The regularly scheduled meeting of the Vestry of Saint Michael and All Angels Episcopal Church was called to order at 4:30 p.m. Wednesday, February 15, 2023, by Senior Warden Arnold Spencer, in the Theater. Before the meeting, Holy Eucharist was held in the Bishop Moore Chapel with the Rev. Christian Basel, Curate, as Celebrant.

Vestry members in attendance were Arnold Spencer, Senior Warden; Holly Peña, Junior Warden; Kelly Reddell, Warden-at-Large; Dee Ann Anigian, Stuart Brown, Squeaky Connolly, Carol Goglia, LeAnne Langholz (phone), Carol Roehrig, Ginger Sager, Keller Webster, and Hudson Weichsel.

Ex-officio members in attendance were the Rev. Dr. Chris Girata, Rector; the Rev. Ken Brannon; Janice Bywaters, Treasurer; Dianna Bowen, Chancellor; and Mary Louise Hopson, Clerk. Others in attendance were Dr. Tim Smith, Rob Baber, Colleen O'Hara, Caroline Marak, Caroline Moore, Tony Briggie, Eric Conner, and Bhavnita Masih.

Holly Peña led the Vestry in prayer. Arnold Spencer asked if there were any requests to move any items out of the Consent Agenda for discussion, including any changes to the minutes of the meeting of January 18, 2023. Hearing none, Arnold then entertained a motion that the Consent Agenda be adopted. Keller Webster so moved, Carol Goglia seconded, and the motion passed unanimously.

RECTOR'S REPORT

Chris called attention to the Microsoft Teams application, a collaborative tool used by Vestry and staff to work effectively and efficiently, and gave a brief hands-on overview. Vestry packets will be sent out at least 48 hours ahead of each Vestry meeting. If there are items to be posted after the packets are distributed, the materials will be posted on the Teams Vestry channel so that Vestry members can access them before the meeting. Chris encouraged Vestry members to reach out to Bhav Masih to get additional training on Teams if needed.

Chris noted that since the Vestry members know more about why we make decisions about the church, people naturally will seek us out with questions and concerns. These interactions are important and, while we may not have an immediate answer or a solution, we should be ready to listen and help.

Chris has met with all Vestry partners and thanked Bhav for her help. He invited Vestry partners with goals to share with the group any good news of their work. Stuart Brown said that he had a good meeting with Van Sheets about technology needs, including the idea that Vestry members attend Technology Committee meetings and update the Vestry on its activities.

Chris also reported on the welcome program, as contained in his six Institutional Goals. Led by Director of Engagement Rob Springer, the ministry has transitioned from being a greeting

ministry to one that creates membership liaisons. The goal is to seek out people who are in church but whom we may not necessarily know, so we can meet them, learn their interests, and get them involved in groups. Dee Ann Anigian, Squeaky Connolly, and Hudson Weichsel are assisting this effort. Hudson reported that the group has decided to start with young 20 - 30-year-olds, as they are our families of the future.

APPROVALS FOR CHAIRS AND CHAIRS-ELECT: STANDING COMMITTEES

Ken Brannon oversees requests from Standing Committees to approve their nominees for Chairs, Chairs-Elect, and Members. This process is ongoing through the year. New members require Rector approval. Chairs and Chairs-Elect require Rector and Vestry approval. All qualifications have been vetted by his office, and now are being submitted to the Rector and Vestry for approval. Future updates will be put into Teams to inform members of progress in their areas.

Ken presented a Resolution that the following people be approved for leadership in their respective Standing Committees, as set forth below:

Adult Formation Committee	Kathy Hayes	Chair
Finance Committee	Becky Odlozil	Chair-Elect
Mission and Outreach Committee	Allison Bovard	Chair-Elect
Risk Management Committee	Randy Rekerdres	Chair
Technology Committee	Donna Hull	Chair-Elect

Arnold reviewed the process we are working through to identify broadly those groups who speak to, and with, the Vestry. Standing Committees are church organizations that report directly to the Vestry. There are 18 of these groups. The Vestry liaison process, as formerly used, is being fine-tuned this year to the Standing Committee model.

Colleen O'Hara, serving as an ex-officio member of the Committee, is the director of the process. Although there are exceptions, it is generally preferred that Vestry members not serve as Chair or Chair-Elect of a Standing Committee while serving on the Vestry. Chris noted that there has been a huge amount of work to find the right people and recruit them to these jobs, and Vestry approval serves to solidify this process.

Arnold moved that the resolution be adopted, and Keller Webster seconded. The motion was approved unanimously.

Ken called the group's attention to the graphic containing the current status of the Standing Committees of the Vestry as included in the packet.

Arnold welcomed feedback about the process and encouraged Vestry members to become familiar with it. There are two ways to nominate – year-round, and during the nominating

process. Anyone can make a nomination and self nominations are welcome. The goal is to get talented parishioners in good standing into leadership positions. Good standing includes membership, baptism, and being a giver of record. As Ken vets candidates, if it is found that there are potential candidates who are not in good standing, Ken reaches out to them to be involved in rectifying that status. As a part of this process, Ken's office is working on how to square the vetting process with the nomination process.

SENIOR WARDEN'S REPORT

With the goal of clarifying the status of the Affiliates of the church, Arnold asked Dianna Bowen to provide a formal, legalistic definition of what constitutes an Affiliate, with a definition that is broad enough to capture its function and relationship.

Arnold stated that the Executive Committee (Rector and Wardens) is in the process of identifying representatives from each of the five groups to be points of contact. Regarding the Affiliates, he would like have a member be responsible for all contact between the church and each of the various organizations. Mission Partners are organizations that have standing ongoing relationships with the church. The nature of the relationships between the various groups and the church is being defined. The Standing Committees will identify points of contact and ensure that the lines of communication are strong. The December Vestry resolution has additional information.

Arnold identified two important issues for the Vestry this year. These topics will be addressed at the March Vestry meeting as well as the Spring retreat.

1. Mission & Outreach. We are strategically aligning all MO resources. The church is under budget, thanks to both Clergy and staff. Relative to other churches our activity post-Covid is way ahead. Spiritually the church is incredibly strong, with faith and family at the center. As these groups return to activity post-Covid, we will coordinate the current programs to be even more efficient and effective, ensuring a positive message to all. Eric Connor and the All Angels Foundation are working on details.
2. The Saint Michael Episcopal School (SMES) is an Affiliate. We have identified as a goal the improvement of communications between the church and the school. Much money and time have been invested in the school by the church, which is very interested in having an excellent school on campus. Our support has included the assignment of a church priest as Chaplain to the school; the Rev. Greg Pickens has been very well received in this role. The Cherub Choir director is enriching the music program, and there have been successful interactions with the church and school leaders. The Head of the school, who reports to the Vestry, will present at the March Vestry meeting, and there will be social "moment" with the school board following the meeting. The school has asked that the Vestry members be visible on campus and participate in such SMES activities such as carpool drop off and attend school tours to be conducted in the future.

Arnold called the group's attention to the SMES parent fundraiser to be held February 24 and encouraged Vestry members to attend if possible.

Keller suggested that a liaison be identified to communicate additional information about the curriculum so we could be aware of opportunities to help. The monthly reports from the school mention many of those activities. Squeaky suggested that school informational materials be placed around at the church so our church families can learn more about it. The group is looking forward to talking with school board members at the upcoming social about ways to work together.

TREASURER'S REPORT

Janice Bywaters, Treasurer, reported on the Finance Committee meeting Tuesday, February 14, 2023.

The Finance Committee approved three motions to be presented to the Vestry for approval. The committee consists of 10 members; four are CPAs, several have started and led their own businesses, and half have served on the committee for more than five years. It is an experienced and dedicated group who looks at the financials on a granular level. The strongest and most dedicated member is Rob Baber. We are fortunate to have Rob as our Director of Finance, and to have a Rector and Vice Rector who fully understand our financial statements.

The YE 2022 hard close is close to what was presented last month. Pledge and plate revenue totaled \$7,305,900, a \$500M or 7.3% increase over 2021 and 4% over budget. After recognizing "Other Revenue" and paying the Diocesan Assessment along with other mission grants, Total Revenue Available was \$7,322,490 or 4.1% over budget. This strong performance is led by parishioners fully meeting their pledge commitments. We also exceeded budget in both plate revenue and unpledged contributions. While a lot goes into exceeding budget, clearly our parishioners believe in the vision as outlined by Chris and Ken, and our advancement team has done an excellent job.

On the expense side, we came in 2.3% over budget. This includes the Vestry-approved inflation adjustments and performance awards given to staff. Most departments of the church met their budget goals. Both Communications and Administration were over budget as expected. In Communications, printing expenses exceeded budget. In Administration, we incurred much-needed computer and training expenses. Both CFM and Youth started and ended the year with staff vacancies; therefore, both areas were under budget.

We ended the year with a \$130M surplus. At the FC meeting Chris provided a straightforward plan for the use of surplus, with all items categorized as non-recurring expenses. FC voted to recommend the use of the surplus to the Vestry as follows:

1. \$52,000 for support of our data base, including building out needs and training staff.
2. \$45,000 for search firms, to include searches for department heads for both CFM and Youth, and support staff for various departments.

3. \$11,000 to support an International Music Conference that SMAA will host this summer.
4. \$22,000 for various small capital projects; e.g., a Wi-Fi system that enables parishioners to connect hearing aids to Bluetooth.

The Finance Committee noted that in years past we would typically allocate funds for capital reserve. Our capital reserve balances today are good, and since we will benefit in the future from the Horizon Fund, we can confidently use an operating surplus for operating needs.

Janice moved that the Vestry approve the use of the surplus funds as set forth in the recommendations contained in the packet and as described above. Carol Goglia seconded the motion, and the motion passed unanimously.

ADVANCEMENT AND CONSTRUCTION

Caroline Moore reported that the Capital Campaign is ahead of schedule and is 80% to goal with 129 gifts received. She commented that people are really pleased with the direction of the church and the vision for the future, and many say that they are making the largest gift they have ever made. Arnold pointed out that this is a historic campaign, both for SMAA and in the history of the Episcopal Church.

Caroline Marak reported that the Stewardship Campaign achieved 7% growth in dollars and 5% growth in giving units, which is over the goal of 5% growth in dollars and units. The dollar amount needed prior to the campaign start to achieve the 5% growth in dollars was \$315,897 (as of accounting close 1/31/22). We achieved a total dollar growth amount of \$464,654, with pledges continuing to come in during February. In pledge dollar categories, at the conclusion of the campaign, the “New” and “No Prior Year” (those who have given within the past three years but not last year) categories represented a pledge total of \$376,672. These two categories alone could have made the difference for the success of the campaign. The conversion rate of outright gifts to pledges was 72%. Of 46 people representing \$121,662, 32 converted their outright gifts to pledges, representing \$87,614. Regarding the LYBUNT (Last Year But Not This Year) list conversion rate, 84% of the list was converted into a pledge for 2023. All these good results point to the importance of the work on the campaign during the Fall.

To thank people for their generosity, letters are sent weekly from the Rector, and handwritten notes from staff and Stewardship Committee members also are sent. Caroline Marak encouraged Vestry members to participate in writing thank you notes. The quarterly statements sent to parishioners, as well as the year-end statement, include a letter from Chris describing all the good things that are going on in the parish because of their giving.

Architectural Review Committee (ARC) – Carol Roehrig reported that in-depth work is continuing on materials and budgets.

Campus Construction Committee (CCC) - Janice reported that spending in both the Pre-Development and Preliminary Budget is consistent with planned expenditures. The major increases this month are architectural and campaign fees.

NEW BUSINESS

BUDGET

Janice reviewed the revenue worksheet on p. 36 of the Vestry packet. This year's Stewardship Campaign totaled \$6.8MM, a 7% increase over last year. For budgeting purposes this amount is adjusted according to trends in plate, late pledges, or nonpayment of pledges. Other income is added to our pledge review. Lomo Alto distributes \$200,000, and the North Land income contributes \$180,000. This is our final year to benefit from the ESD transition fund (\$150,000), and we have this year and next to benefit from the surplus we generated in 2020 after fully utilizing the PPP loan. Our Total Revenue budgeted for 2023 is \$8,414,000.

Janice called attention to p. 39 of the packet for particulars about the budget. The 2023 budget continues to place Mission & Outreach, Formation & Engagement, and small groups as the priorities. Throughout 2022 we made strategic hires in these areas.

The next step in the process is the budgeting sessions in December, when each department brings forward a wish list of program initiatives. No budget was reduced from 2022, but of course we cannot do everything.

Other noteworthy items:

1. Mission & Outreach's budget was increased \$50,000. These dollars will be targeted towards programs that provide outreach opportunities for our parishioners.
2. Several areas are budgeted to receive additional support staff.
3. Departmental budget requests were trimmed in most areas, but the amount budgeted in all cases for 2023 is higher than the 2022 actual expenses.
4. We incurred increases in health insurance, property and casualty insurance, and the total Diocesan assessment.
5. We renegotiated the Shared Services contract with the Saint Michael Episcopal School (SMES), with SMES reflecting their increased usage of the building. In 2023, they will no longer require underwriting from the church. They are doing well financially.

Arnold asked to clarify the \$50,000 increase to M&O grants. We are responding to requests for increases in M&O allocations. There is a strategic emphasis on partnering in a meaningful way. Ken added that he is excited about the clarity of who our community partners are and where we are engaged. These agencies receive our grants and then are able to receive our volunteers. For example, with the Amistad project in Bolivia, we are now supporting the entire orphanage at its full cost. The Rev. Robin Hinkle is very focused on this aspect and its alignment with the strategy of the church.

Janice Bywaters moved that the 2023 budget be approved. Carol Roehrig seconded, and the motion passed unanimously. Arnold thanked Janice and Rob for their work.

Taking a personal point of privilege, Arnold commented on the great ideas discussed in departmental budget meetings he had attended, and praised the specific choices of the various groups that the church is to support. Arnold stated that we as a Vestry are charged with the responsibility of discerning what projects will be considered.

Chris added that at the April retreat the Vestry will set priorities and then communicate those in the Fall at stewardship time, so the congregation will be informed.

There being no other New Business, Arnold moved the meeting to Old Business.

OLD BUSINESS

Ken called the group's attention to a date error contained on p. 33 in the packet, as included in the resolutions appointing members of the 2023 Vestry, particularly in the paragraph electing directors of Fredericks Square, and stated that the correct year should be 2023. Arnold moved approval of this correction, Ginger Sager seconded, and the motion was approved unanimously.

Arnold announced that 100% of the Vestry has completed the safe church training, which is critical to all leaders in the church, and important both as a congregation as well as to satisfy legal aspects. He thanked the Vestry for its commitment.

EXECUTIVE SESSION

Arnold thanked everyone for attending today's meeting and started the Executive Session at 5:58 p.m.

Arnold declared the Executive Session closed at 6:13 p.m. and the meeting back in full session. Arnold entertained a motion for approval for certain financial changes to the capital campaign expenses allocated as presented in the Executive Session. Squeaky so moved, and Dee Ann seconded. The motion passed with all affirmative votes except for one dissenting vote by Keller Webster.

Arnold then declared the meeting adjourned at 6:14 p.m.

Respectfully submitted,

Mary Louise C. Hopson

Clerk of the Vestry