

Finance Committee of the Vestry

Saint Michael and All Angels Church

Minutes, November 14, 2023

Present: Janice Bywaters, Michael Cosby, Glenn Davison, Tom Fenton (Stewardship Chair), Patrick Jenevein, Becky Odlozil, Michael Reddell, Jeanie Sikes, Jim Smith, Chris Wiley

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

Fr. Brannon opened the meeting with a prayer.

- 1. Approval of October Minutes** – The minutes for the October 17, 2023, meeting were approved with a correction for the date to read October 17, 2023.
- 2. Advancement/Stewardship Update** – Ms. Bogdon reported that the Stewardship Campaign has reached 47% of the dollar goal and 33% of the unit goal as of November 10, with the average gift higher than the prior year. Pledge units and dollars at the same time last year were higher which is attributable to timing shifts around the Capital Campaign, and Committee pledges not being sought prior to beginning the current year Stewardship Campaign. Of those making dual pledges (Capital and Stewardship), about one-third increased their annual pledge and another third pledged the same amount as the prior year.
- 3. Review of October 2023 Financials** - Mr. Baber reviewed the Statement of Activities and Statement of Position as of October.

Revenues – Actual Year-to-date Revenue Available was \$5.7 million which was higher than budget by \$75 thousand. Variances include higher Unpledged Contributions, partially offset by lower Current Year Pledges, and increased Other Income (interest). Revenue Available for the period of \$508 thousand was less than budget by \$20 thousand.

Expenses – Actual Year-to-date Expenses were \$6.2 million which was lower than budget by \$45 thousand. Positive variances included Advancement, Children & Family Ministry and Operations (open positions for part of the year) and less than expected building maintenance. Some offsetting negative variances included Communications (mostly outside printing), Finance (Headhunter fees to fill open positions), and Music (multiple choirs and Compline). Expenses for the period were higher than budget by \$30 thousand. Year-to-date Revenue was less than Expense by \$468 thousand, reflecting a positive variance to budget of \$120 thousand.

Mr. Baber reviewed the Statement of Financial Position as of October. The Committee discussed the current level of cash as compared to the monthly rate of operating expenses which Mr. Baber regularly monitors. Mr. Baber directed the Committee's attention to the schedule "Saint Michael Cash Available for Operations" as of October 31, 2023, included in the Finance Committee packet. The Committee discussed potential funds available from the various sources, if the need were to arise, and what approval would be required to access those funds. Also discussed was the potential to reserve any excess funds at year end as an operating cash reserve.

4. **Construction and Loan Update** – Fr. Girata presented the status of the construction bid from Beck and the challenges due to the length of the project, the uncertain materials and labor costs and interest rate environment. The three banks asked to bid on financing are poised to make a bid once the contract is known and the amount needed can be communicated to them.

Fr. Girata also presented the need for an AVL upgrade of \$267 thousand which ARC has recommended to be concurrent with the construction project. The Committee discussed and voted unanimously to recommend to the Vestry adding the upgrade cost to the Project Management Preliminary Budget.

5. **Review of Finance Committee Terms** – Ms. Bywaters presented the new terms for each prospective Finance Committee member for the 2024 year. Each term stated is considered the first term for each member, with one additional three-year term available for each member. Ms. Odlozil will reach out to each member on the list to ask if they will remain on the Committee for 2024, given the term.
6. **2024 Budget Update** – Mr. Baber presented the Budget Review Schedule for each Ministry area. Each Finance Committee member is assigned to one or more Ministry areas to offer assistance in budget preparation, if needed.
7. **New / Old Business** – Ms. Bywaters asked for a volunteer to take minutes of Finance Committee meetings once Ms. Odlozil becomes Chair of the Committee. Any wishing to take on this role should reach out to Ms. Bywaters.

Ms. Bywaters noted the next Finance Committee will be December 12, 2023. There being no further business, the meeting was adjourned.