

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, December 13, 2023, by Senior Warden Arnold Spencer, in the Theater. Before the meeting, the service of Holy Eucharist was held in the Bishop Moore Chapel with the Rev. Robin Hinkle as Celebrant.

Members in attendance were Holly Peña, Junior Warden; Kelly Reddell, Warden-at-Large; Dee Ann Anigian, Allison Bovard, Stuart Brown (by phone), Squeaky Connolly, Carol Goglia, LeAnne Langholz, Carol Roehrig, Jack Rubarth, and Hudson Weichsel. Also in attendance were incoming Vestry members Julie Allen, Susan Barnicoat, James Carry, Jim Chambers, and Zoé Hart.

Ex officio members in attendance were the Rev. Dr. Chris Girata, Rector; the Rev. Ken Brannon, Vice-Rector; Dianna Bowen, Chancellor; and Mary Louise Hopson, Clerk. Also in attendance were the Rev. Dr. Andrew Grosso, the Rev. Robin Hinkle, Bob Campbell, Rob Baber, Colleen O'Hara, Caroline Moore, Martha Bogdon, Bhavnita Masih, Becky Odlozil, and Meredith Turner.

Jack Rubarth led the Vestry in prayer.

Arnold welcomed the incoming Vestry members and incoming Treasurer Becky Odlozil. He noted that the Vestry is a strategic organization that should feel confident that matters brought before the Vestry have been thoroughly examined and vetted beforehand but added that comments by Vestry members are in no way discouraged.

Arnold asked whether there were any requests to remove items from the Consent Agenda (November 15, 2023, minutes, December 4, 2023, Special Meeting minutes) and Standing Committee, Affiliate, and Community Partner reports), and there were none. Arnold moved to adopt the Consent Agenda as written. Holly Peña seconded, and after a vote the motion was passed by unanimous consent.

HOF COMMITTEE DLF PROPOSAL

Arnold then asked for consideration of the agenda item concerning the Horizon Outreach Fund (HOF) Committee proposal regarding the Dallas Leadership Foundation grant and asked incoming HOF Committee Chair Bob Campbell to review the proposal. The HOF is intended to push out contributions into the community. Per the organization's charter, the HOF proposes, and the Vestry approves, grants from the HOF. The proposal, as included in the packet and recommended by the HOF Committee, is to award a multiyear grant as follows: \$50,000 in 2024, \$37,500 in 2025, and \$25,000 in 2026 (\$112,500 in the aggregate) to the Dallas Leadership Foundation (DLF). The purpose is to expand its longtime pre-release program for inmates of Hutchins State Jail in southwest Dallas by adding an additional faith-based dormitory for 58 men. Bob stated that this project meets the All Angels Foundation (AAF) pillar "Healing

Acts of Love.” The current Vestry then reviewed and discussed the recommendation, which will be voted upon at the January Vestry meeting.

Chris stated that information continues to be gathered to provide a summary of our past contributions and areas we have impacted with our gifts, to assist in understanding and future planning and creating transparency among various organizations and missions while ensuring confidentiality. Arnold commented that we as a Vestry and as a church give thoughtful analysis of where we give our dollars. Mission & Outreach (M&O), Women of Saint Michael (WOSM), and the All Angels Foundation (AAF) each have different guidelines for how they grant monies to the community. A committee is currently meeting to better outline the differences and similarities of each grantmaking body. Once this information is consolidated it will be easier to see the impact our dollars are having in our communities. Carol Goglia stated that HOF follows all All Angels Foundation (AAF) protocols regarding grant applications and reporting.

RECTOR’S REPORT

Annual Goals: After adding his welcome to the incoming Vestry members, Chris gave a brief presentation on the goals process. The individual goals are in support of the church’s overall long-term goals for Fall 2026 and consist of what we need to do as a parish to achieve those goals. The Vestry is updated on the goals during the year. Leadership groups, standing committees, and staff are all working together to achieve these goals. The areas of priority of the five incoming Vestry members will be assigned by the January Vestry meeting.

Construction: Chris noted that walls are going up to close off areas of planned work. Much of this work will be done during the SMES winter break when children will not be present. The Parish Hall will be closed after Christmas. The new schedule for church services will then start, with Rite II Traditional 9:00 a.m. and Contemporary 11:00 a.m. in the Main Sanctuary and Rite I 11:00 a.m. Traditional in the Chapel.

The next construction letter will go out to parishioners in January to update them on the construction plans. Lincoln Property Company (LPC) will finish work on the sidewalk between the LPC building and the church grounds by Christmas Eve services, adding to the convenience of the available additional parking in the building parking structure. Maps will be sent out next week, which should be helpful.

Arnold commented that during construction some meetings will have new locations, but all church activities and outreach will continue. He reminded the group that the sacrifices we are making now will positively impact the church for decades to come.

Chris then added his thanks to outgoing Vestry members Arnold, Holly, Carol Roehrig, Jack Rubarth, and Ginger Sager.

SENIOR WARDEN’S REPORT

Arnold stated that outgoing and incoming Vestry members will be paired up to provide a smooth transition. He also stated that after the December 4, 2023 Special Meeting of the Vestry budget approvals, the church has a signed commitment for change orders, so we are contractually locked in on a specific building plan. With the positive advancement report, we are very comfortable with how the campaign has progressed to date. We have accomplished much and are doing well, and there is a lot of work still to do. Arnold then thanked everyone on the Vestry for their work this year, particularly the outgoing members who contributed so much to the successful year. He reminded the Vestry that despite its organizational complexity, the church's missional goal is very simple – to be Disciples of Christ. He emphasized that the Vestry must act both on a strategic level and a spiritual level to be successful and cited attending the services immediately before the Vestry meetings as beneficial to the work to be done in the meetings.

JUNIOR WARDEN'S REPORT

Holly expressed her gratitude for the experience of serving as Junior Warden and praised Chris, Ken, and the staff for their excellent work.

TREASURER'S REPORT

Becky Odlozil, Treasurer-Elect, reported for Treasurer Janice Bywaters on the Finance Committee meeting Tuesday, December 12, 2023:

The church financials continue to look good. We are \$112,000 ahead of budget as of November 30. Revenue is ahead of budget, mostly due to interest income. Expenses are lower than budget mostly due to staff positions that were unfilled for part of the year, somewhat offset by communications expenses due to outsourcing some printing. On the Statement of Financial Position, our assets are \$79 million, of which \$23 million are current assets.

Budget process: Budget reviews for the 2024 ministry areas were held last week. Rob Baber is consolidating this information and fine-tuning some requests. After reviewing stewardship numbers with Advancement staff in January, a budget will be created and presented to the Finance Committee in February, then will come to the Vestry for approval.

Construction: We have received bids from three banks to provide interim financing during the project if needed. Since campaign pledges can be made over a five-year period but construction will take only two and one-half years, financing may be necessary to cover any gap between receipts and costs. The Finance Committee will review the bank proposals and recommend one to the Vestry within the next 60-90 days for approval.

Clergy housing allowances: Clergy housing allowances were recommended to the Vestry for approval. The IRS allows each ordained clergy member to designate a portion of their annual salary as housing, and this portion of their income is not included in taxable income. This does not change salary and benefits to the clergy and has no effect on church financials. The IRS has specific guidelines, and each clergy member consults with a tax accountant to establish the

appropriate amount. Rob has reviewed these submissions and they are all reasonable in amount.

A motion to approve the resolutions as set forth for each member of the Clergy was made by LeAnne Langholz. Jack Rubarth seconded. After a vote, the motion passed unanimously.

ADVANCEMENT AND CONSTRUCTION

Capital Campaign: Caroline Moore reported that the capital campaign passed \$58 million today and feedback continues to be very good. This Sunday the stretch goal of \$65 million will be announced to the parish. This increase is due to elevated construction costs. For those who have joined both the annual and capital campaigns, 89% elevated their annual pledge vs. prior year.

Annual Stewardship Campaign: Martha Bogdon reported that, as of Friday, \$4.3 million has been pledged, representing 62% of total goal. Regarding number of households who have pledged, we are just under 50% to goal. One-on-one outreach is continuing, with the combined capital and annual committee members very involved in helping. Martha reported that 82% of all pledges received represent a flat or increased commitment, which is positive considering the parallel capital campaign.

Many capital campaign pledges are planned over five years, but the project and related spending will be complete in approximately two years. It was noted that, if capital donors, as they are able, could accelerate their pledge payments, that would result in less borrowing. This would reduce costs, with interest rates having significantly increased in recent years. This messaging is important for Vestry members to know and communicate where possible.

Architectural Review Committee (ARC): Arnold thanked Carol Roehrig for her invaluable help with this committee, stating that she had made a real contribution to the project. Carol will continue to serve on this committee after her current Vestry term ends this month.

NEW BUSINESS

Standing Committees of the Vestry: Ken reviewed the purpose of the Standing Committees which will help identify and expand the leadership development of the church.

Ken then asked for a motion to approve the Adult Formation Standing Committee Charter and the Youth Ministry Standing Committee Charter as contained in the Vestry packet. Carol Roehrig so moved, Squeaky Connolly seconded, and after a vote the motion passed unanimously.

Ken stated that the work associated with the standing committees – charter, leadership, committee membership – is 85% complete, with 100% expected to be completed by February. Arnold praised Ken for his efforts to accomplish this goal, stating that the formation of the Standing Committees is one of the biggest accomplishments of the year.

Ken then presented the calendars for the Standing Committee and the Community Partner Rotation of Reports to the Vestry as contained in the packet, including the list of ministry partners, SMAA liaisons, and contact information for the various agencies and organizations that SMAA supports. He asked for a motion to approve the rotation schedules as set forth. LeAnne so moved, and Holly seconded. After a vote the motion passed unanimously.

Campus Construction Committee (CCC) Contract Permissions:

Chris called attention to the Resolution concerning the Campus Construction Committee Contract Permissions. The purpose of this resolution, which requires Vestry approval as fiduciary of the parish, is to authorize the co-chairs of the CCC to jointly (1) review and approve monthly construction payments to Beck Construction and (2) execute individual capital project change orders that do not exceed \$100,000, up to a total expense of \$2,000,000, with concurrent notice given to the Treasurer and the Director of Finance. Arnold moved adoption of the proposal as set forth and Kelly seconded. After a vote the motion passed unanimously.

There being no further business, Arnold adjourned the December 13, 2023, meeting of the Vestry at 5:59 p.m. He then convened the Annual Meeting of the Vestry and turned the meeting over to incoming Senior Warden Kelly Reddell.

Annual Meeting of the Vestry Resolutions: Kelly called attention to the resolutions included in the packet to be voted upon by the Vestry to take effect January 1, 2024. These include:

1. Election of Senior Warden, Junior Warden, Warden-at-Large, Treasurer, Assistant Treasurers, Chancellor, Assistant Chancellors, and Clerk.
2. Election of Standing Committees: Adult Formation, Audit Committee, Building and Grounds, Children and Family Ministry, Communications, Engagement and Pastoral Care, Executive (Wardens), Finance, Human Resources, Memorials and Gifts, Mission and Outreach, Nominating, Risk Committee, Stewardship Committee, Technology, Worship, Liturgy and Music, and Youth Ministry.
3. Affiliates: Fredericks Square Title Holding Company, Inc., SMAA Northeast Title Holding Company, Inc.
4. Additional Committees, Liaisons, and Approvals: Campus Construction Committee, Securities Conveyance, Vestry Liaisons (Jubilee, All Angels Foundation), and Rector Designees (Jubilee, SMES Board).

Kelly moved the adoption of the resolutions as set forth in the packet to take effect January 1, 2024. Hudson Weichsel seconded, and after a vote all resolutions passed unanimously.

There being no further business, Kelly then adjourned the meeting at 6:02 p.m.

Respectfully submitted,

Mary Louise C. Hopson

Clerk of the Vestry