

**Finance Committee of the Vestry
Saint Michael and All Angels Church**

Draft Minutes, November 13, 2012

Present: Steve Black, Bill Felder, Tracy Helms, Kathy Kelley, Randy Kob, Suzanne Lipscomb, Alan Pierce, Jim Smith, Matt Waller (Treasurer).

Ex-officio present: Rob Baber (Director of Accounting), Bob Dannals (Rector), Katie Riley (Director of Saint Michael Preschool), Sheryl Wylie (Vestry Liaison)

Absent: Casey McManemin

1. Approval of agenda and minutes

The agenda and the October, 2012 minutes were unanimously approved.

2. Review of October 2012 YTD Income Statement and Balance Sheet

Mr. Baber reviewed the year-to-date results of operations for October 2012. Total year-to-date operating revenue was \$3,938,788 versus a budget of \$3,839,144 resulting in a positive variance of \$99,644. Total year to date operating expenses were \$3,516,436 versus a budget of \$3,578,955 resulting in expense savings to date of \$62,559. Mr. Baber noted an additional accrual of \$27K was made in the month of October which represents approximately 25% of the annual 5% pension contribution that was not included in the 2012 budget. This brings the total accrual to 75% of the annual amount for the 5% pension contribution. Mr. Baber added that the 12/31/12 forecast column now represents the anticipated variance at year end including the full funding of the pension contribution. At this time the anticipated year end expense variance is a positive \$95,644 against a budget with a \$76,246 deficit netting in a positive \$19,398 income for the year. A discussion regarding the 5th contribution statement ended in the decision to send the statement the last week of November as a reminder to parishioners. Matt Waller will take the current draft and adjust given input from the committee and then circulate to the Rector and Senior Warden.

3. Preschool Update

Katie Riley, Director of the Saint Michael Preschool, gave a review of the preschool including the breakdown of the number of children and types of services that are offered. She also went through the many changes that have occurred over the last nine months since her arrival. Tracy Helms, chairman of the Preschool Board, assisted with the presentation.

4. Review Budget Meeting Schedule

The budget meeting schedule was emailed to members of the Finance Committee. Most members have made contact with their assigned ministry areas and will be attending the budget meetings.

5. Stewardship Update

Mr. Waller updated the finance committee regarding the progress of the 2013 stewardship campaign. As of 11/12/12 we are seven weeks into the 2013 campaign and we have 723 pledges in hand for a total of \$3,371,691. The number of pledges is 46 behind where we were last year in the same week, but the average pledge is higher than last year by about \$500 over the same time period.

6. Discuss possible interest rate cap purchase for Lomo Alto note

Mr. Waller presented the opportunity to cap the floating interest rate on the loan related to Frederick Square (8100 Lomo Alto Building). After much discussion and consideration of the potential for a substantial principal reduction in the near future, the Finance Committee determined that Mr. Waller should endeavor to purchase a cap of 5% rate on 1/2 of the principal outstanding.

7. Discuss Columbarium loan Term Sheet

Mr. Waller presented a draft term sheet from the Bank of Texas related to the proposed Columbarium expansion. The Finance Committee was comfortable with the term sheet presented, but took no action as the final cost estimate for the Columbarium expansion had yet to be finalized.