

**MINUTES OF THE REGULAR MEETING OF THE VESTRY OF
SAINT MICHAEL AND ALL ANGELS EPISCOPAL CHURCH**

September 26, 2012

The regular meeting of the Vestry of Saint Michael and All Angels Episcopal Church was held September 26, 2012.

Vestry members in attendance were: Van Sheets, Senior Warden, Tony Briggie, Junior Warden; Christine Ashmore, Cindy Carter, Cliff Miercort, Stephanie Pearson, Grady Schleier, Ron Staffieri, Tom Stewart, Stewart Thomas, Donnell Wiggins, Paige Wilbur, and Sheryl Wylie. Auxiliary members attending were Matt Waller, Treasurer, John Wilson, Stewardship chair and Margaret Spellings, Clerk. Guests included Ron Baber, Kimberly Hughes, Lowell Duncan, The Rev. Lisa Flores and Ann Mills.

The Rector called the meeting to order at 4:35pm.

The Rector expressed condolences for the passing of The Rev. Brenda Sol's mother and staff member Ann Mills' brother in the past week.

Minutes of the Prior Meeting

Upon motion duly made and seconded, the minutes of the August 2012 meeting were unanimously approved.

Ministry Report - Pastoral Care and Congregational Care

The Rector introduced Ann Mills and The Rev. Lisa Flores to report on Pastoral Care and Congregational Care Ministries.

The Rev. Lisa Flores distributed brochures describing Pastoral Care at St. Michael. She reported that Pastoral Care has over 20 ministries at SMAA. For example, after arriving in Dallas, Rev. Flores spent a week in training for the Stephen Ministry. The Stephen Ministry provides support to parishioners in need, whether due to death in a family, divorce, moving homes, or other life transitions.

The Rev. Brenda Sol, who works closely with The Rev. Flores, will host a Parish Prayer Retreat on October 3, 2012, which will bring all the teams of the Intercessory Prayer Ministry together. All who are interested in prayer are encouraged to attend.

Another important ministry is the Knitting Ministry. The Rev. Flores showed a "prayer bear" designed for children that was knitted by a parishioner.

Ann Mills reported on the Congregational Care ministry. Ann highlighted the following aspects of the ministry:

- Funeral Receptions: beautifully done with no cost to the family.
- The Good Shepherd Program: over 200 volunteers in neighborhoods all over the Dallas area.
- Extended Care Cooks: 50+ volunteers cook meals on short notice for people going through a hard time. Over 80 meals have been delivered this year.

Finance Report

Matt Waller gave the Finance Report. Matt passed around the Income Statement for the Church as of August 31, 2012. Matt reported that pledges received dipped in August, while expenses are still under budget for the year.

The loan from Bank of Texas for the Lomo Alto building was refinanced. The Note now has a floating rate based on LIBOR that can be converted to a fixed rate for a fee within a certain period of time. The new interest rate will save a considerable amount of money.

Matt reviewed certain other expenses that may be incurred or expected in the future, in order to begin planning for such expenditures.

Stewardship Report

John Wilson reported that the Stewardship campaign has begun. John announced that over \$400,000, representing 75 pledges, have been received. John described the efforts of many volunteers who have helped with the campaign so far, as well as the communications staff at the Church.

Building & Grounds Report

Tom Stewart described several additions and improvements being made to the Church. The landscaping and rebuilding of brick walls on the Douglas Avenue side have been completed and look beautiful. Astro turf has been installed in the playground for the children in Early Childhood Ministry. A portion of the parking lot is being converted to senior parking places, which may be made ADA-compliant in the future.

Five new picnic table pads have been added on the north side of the Church. It is hoped that these will be used by people enjoying the farmers market. In addition, a new playground is being built. The new playground will also be close to the picnic tables, providing a good area for people to gather.

Finally, the landscape and architectural plans for the Columbarium are now complete. Tom hopes that bidding on the work will begin in October, with groundbreaking in January.

Mr. Stewart addressed the vision from the recent Vestry retreat, which included a larger, expanded corridor between the north lanai and the south lanai. His committee has decided to put these plans on hold until money is available for this endeavor and plans are more fully developed.

Junior Warden's Report

Mr. Tony Briggie recently visited the Anglican Center in Rome and reported that the Center is in good communication with the Catholic Church.

Senior Warden's Report

Van Sheets reviewed the text of proposed amendments to the Church's Certificate of Formation. The purpose of the amendment is to clarify and reaffirm that SMAA and its property shall remain a constituent and subordinated unit of a diocese within the Episcopal Church. A copy of the proposed amendment is attached as *Attachment A* to these Minutes. The proposed amendments (1) amend Article II (Exercise of Powers and Rights) of the Church's Certificate of Formation so that the term "Diocese" means the diocesan authority designated or recognized by the Episcopal Church as having hierarchical authority over the Parish, and (2) amend Article X (Title to Real Property) to provide that title to the real property held by the Parish (with certain exceptions) shall be held in the name of the entity as may be designated by the Diocese (using the new definition in item (1) above) and held in trust solely for the use and benefit of the Parish as a constituent and subordinated unit of the Episcopal Church.

The amendment had been previously reviewed and discussed by the Vestry in consultation with the Chancellor, Robert Wilson. A motion to approve the amendment was made and seconded. The motion passed unanimously.

The amendment will be filed with the Texas Secretary of State. It will also be submitted to the Chancellor of the Diocese of Dallas, who is authorized to determine whether the amendment is "not inconsistent with" the Canons of the Diocese.

Housing acknowledgement

The vestry passed a motion to acknowledge that the portion of The Rev. Lisa Flores' salary that is allocated to housing is \$34,000, as needed for her tax records.

Rector's Report

The Rector was happy to report some new additions to the Church. The Rev. Mike Dangelo has begun a part-time ministry as a Sunday assistant. In addition, Carolina Armstrong is the Church's new Youth Minister, and Austen Crossley is the Church's new coordinator of Early Childhood Ministry. The Rector encouraged everyone to introduce themselves as the new hires settle in to their new positions.

Haley Dettra, Stewardship Coordinator, has resigned, and the search for her replacement has begun.

Fr. Dannals reported that Scott Wilson and Bill Bancroft have started an effort to update the strategic plan to address community building in the church, which he is assisting.

The former Wardens Dinner will be held in November. This is a traditional supper for the former Wardens of the Church Vestry to enjoy one another's company and to discuss their vision for the Church.

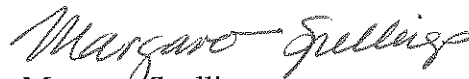
The Church's HR department recently decided to remain with the National Church's health plan for the Church's employees, rather than switch to the Diocese' plan.

Finally, the Vestry reviewed a master spreadsheet of all of the lay organizations involved in the Church, listing the leaders of each group and other information. The spreadsheet contains has over 115 groups and committees, and we thank Kay for all the work that it took to compile.

Other Business

There being no more business, the Rector adjourned the meeting at 6:15 pm. The next meeting of the Vestry will be held on October 17.

Respectfully submitted,



Margaret Spellings
Clerk

Attachment A
Proposed Amendment

**RESTATED CERTIFICATE OF FORMATION
OF
SAINT MICHAEL AND ALL ANGELS EPISCOPAL CHURCH**

**ARTICLE II
EXERCISE OF POWERS AND RIGHTS**

The Parish is a nonprofit corporation governed by the Texas Business Organizations Code or any successor legislation (the "BOC"). The Parish is subject to, and shall exercise its rights, powers and privileges in accordance with, the Constitution and Canons of the Protestant Episcopal Church in the United States of America (the "Episcopal Church") and the Constitution and Canons of the Episcopal Diocese of Dallas (the "Diocese").

**ARTICLE X
TITLE TO REAL PROPERTY**

Subject to and in accordance with the Constitution and Canons of the Episcopal Church and the Constitution and Canons of the Diocese, the title to all real property held or acquired by the Parish, unless held for investment or income-producing purposes and for which no *ad valorem* tax exemption is claimed, shall be held in the name of the Corporation of the Episcopal Diocese of Dallas (or such other entity as may be designated by the Diocese), held in trust solely for the use and benefit of the Parish.

**PROPOSED AMENDMENTS TO THE
RESTATED CERTIFICATE OF FORMATION
OF
SAINT MICHAL AND ALL ANGELS EPISCOPAL CHURCH**

Resolved, that Article II of the Restated Certificate of Formation (the "*Certificate*") of this Parish (entitled "Exercise of Powers and Rights") is hereby amended, in accordance with Article XIV of the Certificate, to read in its entirety as follows with changes indicated by bold type:

The Parish is a nonprofit corporation governed by the Texas Business Organizations Code or any successor legislation (the "BOC"). The Parish is subject to, and shall exercise its rights, powers and privileges in accordance with, the Constitution and Canons of the Protestant Episcopal Church in the United States of America (the "Episcopal Church") and the Constitution and Canons of **the diocesan authority designated or recognized by the Episcopal Church as having hierarchical authority over the Parish (the "Diocese")**.

Resolved, that Article X of the Certificate of this Parish (entitled "Title to Real Property") is hereby amended, in accordance with Article XIV of the Certificate, to read in its entirety as follows with changes indicated by bold type:

Subject to and in accordance with the Constitution and Canons of the Episcopal Church and the Constitution and Canons of the Diocese, the title to all real property held or acquired by the Parish, unless held for investment or income-producing purposes and for which no *ad valorem* tax exemption is claimed, shall be held in the name of the **entity as may be designated by the diocesan authority designated or recognized by the Episcopal Church as having hierarchical authority over the Parish** and held in trust solely for the use and benefit of the Parish as a **constituent and subordinated unit of the Episcopal Church**.

Resolved, that the Senior Warden and Chancellor are hereby authorized and directed to file appropriate documentation with the appropriate government offices.

Saint Michael Preschool Board Report 2012

Saint Michael Preschool is one of the many offerings the Early Childhood Ministry provides to members of Saint Michael and All Angels and members of the Dallas community. The Saint Michael Preschool offers quality Episcopal education program for children ages 8 weeks to 5 years. It is also a licensed day care facility to accommodate needs of staff children ages infant to 5 years. Over the past several years the preschool has grown from a program within the ministry to an arm of the Early Childhood ministry that services over 180 children each week. Due to the growth and the success of the program there are several items to mention in this year's report. It is also probably necessary to note that this is the first annual Board report as the Saint Michael Preschool board charter was adopted by the SMAA vestry in January 2011.

Our Staff

The Saint Michael Preschool employs 21 full time teachers, 2 part time floaters and an executive staff of 4. The executive staff is led by the Director, Katie Riley. Katie Riley joined the preschool in June of 2012 after our beloved director of 25 years, Carol Herman Core, announced her retirement. Katie is well supported by the outstanding teaching and support staff. Her most notable resource is Barb Wynn our Assistant Director. Barb has been the Assistant Director for 19 years. The Reverend Greg Pickens is the Associate of Children Youth and Family ministries. Greg is new to SMAA as well. He joined our team in November 2011. One of Greg's responsibilities is to oversee the Preschool and Early Childhood Ministry for SMAA.

Our staff is instrumental to the success of our school and therefore we have focused much attention to the additional development of our teaching staff for the 2012-2013 school year. Our staff will move from hourly pay to salaried pay. Our staff will be aligned to a school calendar and will observe holiday and vacation days when school is closed. Additional training and education requirements have been established for most levels. A teaching staff evaluation will be performed semi-annually. Lastly, regular teacher meetings will be established to allow for teachers to collaborate for each age group.

Our Classes

Our Preschool offers classes Monday – Friday for each of the following age ranges within the ages of 8 weeks to 5 years.

Infants – 4 children to 2 teachers, children come 1 day, school is 4 days per week, 16 infant spaces available in program.

Walkers – these are the young 1 year olds, 6 children to 2 teachers, children come 1 day, school is 4 days per week. 24 walkers spaces available in the program.

Toddlers – 8 children to 2 teachers, children come 1 day, school is 4 days per week. 32 toddlers spaces available in the program.

Young Twos – 10 children to 2 teachers, children come 2 days per week- either MW or TTH, 10 in each class. We have two young two classes so 40 young twos spaces available in program.

- 2011 Actual - \$726,490 (3.4% over budget)
- 2012 Budget - \$711,475
 - Through July, \$654 under budget

Expenses: Staff Compensation is the largest expense for Preschool

- Includes ministry related expenses (Sunday nursery, Mom to Mom, Barnyard Bash, etc.)
- 2011 Expenses came in approximately \$1,000 under budget
- 2012 Budget - \$1,097,084
 - Through July, \$9,659 under budget
 - Mainly driven by Insurance, Pension, and Continuing Education
- Largest expense is Salaries and Benefits

Restricted Funds: Are accounts that hold balances over multiple reporting years.
(Balances through July 31, 2012)

- 2011 – 2012 Tuition - \$53,449.69 (Will net to zero by August)
- 2012 – 2013 Tuition - \$179,745.53 (prepaid registration and tuition)
- General - \$6,551.47
- Fund Raisers - \$145,000 (Approximately \$10K teacher excellence and \$135K Playground)

Accounts Receivable: Investment in a childcare management software in 2010 allowed for the Preschool to focus on reducing account receivable balances during the 2011-2012 school year.

- January 2012 Balance – approximately \$20,000
- April 2012 Balance – approximately \$10,000
- June 2012 Balance - \$4,984 from 17 families

Our Fundraising

January of 2012 the Saint Michael Preschool hosted its 2nd auction in school history and raised over \$135,000 to build a new playground for the Preschool students. The playground will be built in Fall of 2012 on the land north of the new parking lot.

Funds Raised to Date (includes pledges below): **\$135,274.49**

Underwriting **\$65,325**

Saint Michael and All Angels Episcopal Church
Income Statement
September 30, 2012

<u>Description</u>	<u>Budget Annual</u>	<u>Budget YTD</u>	<u>Actual YTD</u>	<u>YTD Actual Less Budget</u>	<u>12/31/12 Variance Forecast</u>	<u>Notes</u>
Operating Revenues						
Current Year Pledges	4,311,000	2,992,175	3,193,431	201,256	201,256	(A)
Prior Year Pledges	225,000	216,750	152,524	(64,226)	(64,226)	(A)
Unpledged Contributions	285,000	197,813	137,320	(60,494)	(60,494)	(A)
Plate	100,000	74,327	69,560	(4,767)	(4,767)	(A)
Other Income	58,000	43,500	47,885	4,385	4,385	(A)
Credit Card Fees	(45,000)	(31,235)	(26,877)	4,358	4,358	(A)
Stock Fees & Adj.	0	0	(424)	(424)	(424)	(A)
Total Operating Revenue	4,934,000	3,493,330	3,573,419	80,089	80,089	
Outreach						
Diocese Assessment	(557,837)	(418,378)	(418,378)	0	0	
ECUSA	(98,442)	(73,831)	(73,831)	0	0	
Seminary Contributions	(7,000)	0	0	0	0	
Outreach Grants	(145,000)	0	0	0	0	
Total Outreach	(808,279)	(492,209)	(492,209)	0	0	
Total Revenue Available	4,125,721	3,001,121	3,081,210	80,089	80,089	

<u>Description</u>	<u>Budget Annual</u>	<u>Budget YTD</u>	<u>Actual YTD</u>	<u>YTD Actual Less Budget</u>	<u>Notes</u>	<u>12/31/12 Variance Forecast</u>	<u>Notes</u>
Operating Expenses							
Administration	(1,124,996)	(870,784)	(858,536)	12,248		0	
Adult Education	(290,925)	(221,364)	(226,673)	(5,309)		(10,000)	
Bookshop	4,051	(2,813)	(1,381)	1,432		0	
Children & Family Ministry	(224,026)	(169,113)	(174,985)	(5,872)		(6,000)	
Communications	(118,910)	(96,070)	(79,925)	16,145		12,000	
Congregational Care	(9,025)	(6,050)	(6,584)	(534)		0	
Early Childhood Ministry	(388,054)	(337,196)	(299,830)	37,365		23,000	
Lay Ministry Engagement	(7,460)	(6,710)	(2,201)	4,509		3,500	
Liturgy & Worship	(32,100)	(21,825)	(17,148)	4,677		2,000	
Ministry	(752,261)	(564,428)	(593,106)	(28,678)		(47,000)	
Music	(258,464)	(190,157)	(185,381)	4,776		0	
Operations	(665,641)	(514,284)	(477,960)	36,324		20,000	
Outreach	(26,000)	(21,625)	(17,810)	3,815		0	
Parish Life	(27,200)	(22,015)	(21,736)	279		0	
Pastoral Care	(21,875)	(16,270)	(8,273)	7,997		5,000	
Stewardship	(34,447)	(15,511)	(9,353)	6,158		0	
Welcome Ministries	(10,000)	(6,850)	(4,438)	2,412		1,000	
Young Adults 20..30	(7,500)	(5,125)	(4,022)	1,103		0	
Youth Ministry	(207,134)	(156,384)	(163,947)	(7,564)		(10,000)	
Total Operating Expense	(4,201,967)	(3,244,574)	(3,153,291)	91,283	(B)	(6,500)	(C)
Revenue Over/(Under) Expense	(76,246)	(243,453)	(72,082)	171,372	(B)	(2,657)	(D)

Notes

- (A) Anticipated year end revenue variances given the YTD variances and remaining budgeted income for the year.
- (B) This variance for the year to date includes a \$55,500 accrual for the 5% pension payment not budgeted.
- (C) This anticipated variance for the year includes a \$111,000 accrual for the 5% pension payment not budgeted.
- (D) Anticipated net loss given the budgeted deficit, positive revenue variance, positive expense variance and accrued pensio

MISSION AND OUTREACH REPORT

OCTOBER 17, 2012

- 170 volunteers for Meals on Wheels delivering 10 meals per week= 1700 x12 months=**20,400 meals**
- 50 volunteers cooking and serving 500 meals at Austin Street Shelter per month x12=**6,000 meals**
- 80 volunteers serving Thanksgiving/Christmas lunch at Jubilee to 100 people= **200 meals**
- 70 Tutors at OM Roberts School giving 1 hour per week for 32 weeks a year=**2272** hours of volunteer time
- 93 volunteers with I Believe in Angels helped **421** people
- 234 Families at SMAA provided gifts for the I Believe in Angels Project
- 60 Volunteers at North Texas Food Bank in January produced **8,400** backpacks
- 63 Volunteers at North Texas Food Bank in September produced**4,855** meals
- **\$38,500** dollars collected for Backpack 4 Kids in September
- **725** children's teeth painted in Honduras
- **290** lunches served in Honduras
- **20** Stoves built in Triumfo
- **1500** children's lives touched in Rosebud, New Orleans, and Honduras by Christian Education and Tutoring
- **60** children fed in the Kid's Café at All Souls in New Orleans
- **30** children fed in the Kid's Café at the Joe Eagle Bear Community Center
- **1 Church** scraped, painted and repaired in Black Bear South Dakota, (with a little help from our Boston Baptist Friends
- **123** members of SMAA participated in Mission Trips this past year
- **\$27,870.51** in Easter Offerings Disbursed
- **15** By Our Love volunteers provided **250** meals this past year
- **250** people attended the Taste of Jubilee
- **13** Families helped to host the Haiti Boys Choir

All of this was accomplished with operating budget of \$26,000

AND

the dedication and generosity of the people of Saint Michael and All Angels Episcopal Church.
FYI---The Mission and Outreach Grant amount has be \$145,000 for the past 8 years, while the requests have been around \$250,000 for the last 3 years.