

## **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 4:33 p.m. Wednesday, August 20, 2025, by Senior Warden, Dee Ann Anigian, in the Coke Room #201. Before the meeting, the service of Holy Eucharist was held in the Saint Michael Chapel with the Rev. Dr. Chris Girata officiating.

Members in attendance were Dee Ann Anigian, Senior Warden; Hudson Weichsel, Junior Warden; Julie Allen, Warden-at-Large; Susan Barnicoat, Allison Bovard, Jim Chambers, Squeaky Connolly, Terry Demler, Amanda Harris, LeAnne Langholz, Jack Marshallsea, J. Puckett, and Hudson Weichsel.

Ex-officio members in attendance were the Rev. Dr. Chris Girata, Rector; Ken Brannon, Vice Rector; Becky Odlozil, Treasurer; Dianna Bowen, Chancellor; and Bitsy Hudnall, Clerk. Also in attendance were the Rev. Dr. Andrew Grosso, Rob Baber, Alma Vega-Rouse, Meredith Turner, Colleen O'Hara, Bhavnita Masih, Bob Campbell, and Stuart Brown.

Squeaky Connolly led the Vestry in prayer.

### **CONSENT AGENDA**

Regarding the Consent Agenda (2025 and 2026 Vestry Calendars, June 20, 2025 Meeting Minutes and Standing Committee reports including Building and Grounds Statement – Stephen Miller; Engagement and Pastoral Care – Van Sheets; Risk Committee: SMAA Property and Liability Insurance Policy – Todd Hart; Community Partners Report: Foster Elementary – Ann Marie Cowdrey), Dee Ann inquired if there were any requests to remove items for further discussion, and there were none. Jim Chambers moved to adopt the Consent Agenda as written. Susan Barnicoat seconded, and after a vote the motion was adopted.

### **HORIZON OUTREACH FUND PRESENTATION – BOB CAMPBELL**

Bob, on behalf of the Horizon Outreach Fund (HOF) Committee, presented two investment applications for approval. These are from Friends of the Children – Dallas (FOC) and Bachman Lake Together (BLT). Both of these applications were unanimously approved by the HOF Committee at their July 17, 2025 meeting. Bob stated that the Vestry is being asked to vote on each application independently of one another. If both are approved, the HOF will still be financially well positioned for 2026 and 2027. A detailed summary of each application was in the Vestry packet and he asked for any questions.

LeAnne asked about the risk viability of FOC as it is just now being established in the Dallas area. Bob replied that there is essentially no risk as FOC has raised nearly \$2.0 million on its

own. They are poised to assist 18 students in year 1 and increase it to 36 in year 2. The CEO successfully launched the Houston organization and has moved to Dallas to launch this one.

J. asked how the “Venture Philanthropy” is different as an investment rather than a grant which was the old HOF format. Bob stated that both of these organizations he is presenting today are excellent examples of venture philanthropy because both are not just financial but a call to and support of people who do the work – salaries for FOC and hands on volunteer time with BLT.

Dee Ann called for a vote of the FOC application. LeAnne made a motion to accept and Amanda gave a second. There was a unanimous vote in favor of their application.

Dee Ann called for a vote of the BLT application. Jim made a motion to accept and Jack gave a second. There was a unanimous vote in favor of their application.

### **AUDIT COMMITTEE REPORT – STUART BROWN**

Stuart was present to report on the Audit Committee meeting which took place on August 18, 2025. He presented the management letter from their auditor as well as the draft audit that were included in the Vestry packet for today’s meeting. Stuart reported that most of the meeting was reviewing the findings of the audit. There were no misstatements or material corrections. It was a clean audit with no differences in accounting. The audit was complex because it also contained the capital project. He was happy to report that the church is financially stronger than it has ever been. Restricted donations stay strong, but unrestricted donations have also increased alongside the capital project. Evidence of this, if the church had to liquidate everything, how long could the church operate? Based on daily expenses, the church could operate for over a year now versus the previous audit which reflected six months. Stuart thanked the Finance Team which includes Rob and Becky, for their incredible job.

Stuart called for questions. There were none. Because the draft audit came out of a standing committee, Stuart made a motion for a vote. LeAnne seconded. The draft audit was unanimously approved as the final audit.

### **RECTOR’S REPORT – CHRIS GIRATA**

#### **One-Year Plan Update:**

Chris asked everyone to look at page 78 of their packet and asked Ken to present the information. Ken stated that some of the “big picture” annual goals for members of the clergy and staff were revised this summer based on progress and changing needs of the church and community. They have an annual review in May of where they are and a quarterly review again in August to confirm everyone is on track, making adjustments if or when needed.

Ken referred to page 81 with the new company rocks which are very important for the church. These company rocks are as follows:

- 1- Execute the 2026 Stewardship Campaign integrating Give and Serve commitments.
- 2- Communications Strategy Adoption.
- 3- Recruit, vet, and select Standing Committee members for 2026.
- 4- Refine the Budget Process.

#### Standing Committee Nominating:

Chris stated that they are receiving nominations for standing committees and that nominations will close on September 15<sup>th</sup>. Standing committees are a way to identify individuals in the parish who show interest and is the first step toward leadership in the church.

#### Attendance:

Chris stated that there has continued to be great attendance. In the first six months of 2025 compared to the first six months of 2024, we saw a 12% increase in church attendance and the education classes have doubled.

#### Construction:

Construction timing is close to original schedule. Chris was happy to announce that the crane is scheduled to come down within the month. The video walkthrough he did of the new space with the help of the Communications Team who added the digital renderings of the space was a huge hit. The drywall is going to start going in soon and he will do another video walkthrough to update the community.

#### Staff Response to Tragedy:

Chris extended his gratitude to the church staff for their response to the Hill Country flooding. Everyone stayed nimble and responsive. Our staff did a good job of meeting the need of people in need. Squeaky complimented Chris on his sermon. Chris stated that “church matters when life hits you hard” and that with all the funerals happening in a row, they really tried to address the issue and talk about it. SMAA continues to be a useful place in people’s lives because of it.

#### Parish Discernment for Ordination:

Chris was delighted to report that we have three people from our parish in various stages of the discernment process and that it has been a while since we’ve had anyone go through this. There is one person who has completed the process and will be proposed to the Vestry today, one who is beginning the process now, and one who will be coming soon. This is all very exciting because the church always needs priests.

Chris called for any questions about his reports and there were none.

## **SENIOR WARDEN'S REPORT – DEE ANN ANIGAIN**

### **Vestry Nominating Committee Update:**

Dee Ann stated that moving up the nominating process timeline worked just fine. The Vestry Nominating Committee has met once and has a very impressive group from which to choose. A large number of the nominees came from standing committees, which is the natural progression to move up in leadership positions. The committee has two more scheduled meetings and will be presenting the Vestry slate and Diocesan Delegate slate at the September Vestry Meeting.

### **Calendar Items:**

The Vestry photo will take place before the Vestry Meeting next month.

The Vestry Christmas Party is being moved to Thursday, December 11.

### **Alignment with The Episcopal Church:**

Dee Ann stated that several situations have recently presented themselves to the church and since our diocese is not aligned with the national Episcopal Church (The Episcopal Church), SMAA is unable to act on or perform these items. The wardens have been in discussion with Chris and there is a process called Designated Episcopal Pastoral Oversight (DEPO). It is a process that will provide pastoral care and oversight by another bishop when the congregation has irreconcilable differences with their own diocesan bishop. DEPO will allow Saint Michael to move under an alternate bishop while remaining fully active in the Diocese of Dallas and will also allow us full alignment with The Episcopal Church. If we go this route, we would still pay our diocesan assessment to our diocese, and would remain full participants in diocesan life, but Bishop Wayne Smith, the Bishop of the Diocese of Texas which includes Houston, would become our bishop and would be our bishop in all things. We don't just do this temporarily. He would be the bishop for confirmation and other events when a bishop visits our church. Chris has spoken with other rectors who have done this, and they report that there are no repercussions from this and day-to-day operations remain the same. We have spoken in some of these meetings before about the difficulties we have at Saint Michael with recruiting that exist because we are in such a conservative diocese and are not aligned with The Episcopal Church. Dee Ann asked Julie to present the ways in which our being out of alignment with The Episcopal Church is impacting Saint Michael currently, stating that these will be discussed at length during the executive session.

Julie presented the items for alignment with the national Episcopal Church (The Episcopal Church), as follows:

- 1- The national Episcopal Church is really clear about its stance on same sex marriage. Ten years ago, in the summer of 2015, five days after the Supreme Court ruled that same sex couples had the legal right to marry, the General Convention of The Episcopal Church

voted to change the canons of our governing body to allow marriage, permitting any couple the right to marry. Dallas Diocese is out of step with The Episcopal Church and its canons. Under the guidance of the Diocese of Dallas, Saint Michael is unable to allow same sex marriage and the only way to do so is to enact DEPO.

- 2- The other challenge that Dee Ann alluded to earlier is that we have difficulty recruiting clergy. While we have been able to attract excellent clergy to our church, there are many priests who will not come here because of our very conservative and restrictive diocese.
- 3- Another issue we have is with seminary students. Chris mentioned that we currently have three parishioners going through the discernment process. This is the first time we've had anyone go through this process from our parish in over ten years. It is important to note that these individuals, as they go through this discernment process under the Diocese of Dallas are limited to two theology schools that our current diocesan bishop approves – one in Canada and one in Wisconsin. Other reputable seminaries are not options. If we were to enact DEPO, this issue would also be resolved and anyone coming out of the discernment process from Saint Michael would be able to choose which seminary to attend.

Hudson reiterated to everyone that they, as wardens, have had a little more time to process this and pray about this and would like to encourage the members of the Vestry to consider the people from our church who have been impacted by our being out of alignment with The Episcopal Church. It is far easier to be for or against something when the issue is hypothetical. These are real people, members of our church. This is a very important decision for our Vestry and should be a thoughtful process for each member of the Vestry.

Dee Ann stated that this is a Vestry decision and a vote by the Vestry is required. While a unanimous vote would be ideal, there must be a 2/3 vote in favor of DEPO for it to pass. Their plan is to introduce the concept at today's meeting and not vote today. The vote will take place next month at the September Vestry Meeting. When we, the Vestry, votes, the motion will be to approve and affirm that Chris, as our rector, has access to and may use all the rites approved of The Episcopal Church.

Dee Ann continued that there will be a range of reactions for this process. Some people will support it, some will not, and everything in between. We want to be a church home for all people, regardless of how they feel or where they fall on that spectrum. We need to prayerfully consider what we do here. Our tent is big enough for all of us, political or theological differences aside, we all kneel together on Sunday and we can continue to be that for our community.

She reiterated that there is going to be more discussion a bit later in executive session and stated that this process will be transparent for the congregation. It is being introduced to the Vestry today. On Friday, Chris will introduce it to the congregation in his Friday email, and it will continue in the weekly newsletter and his Friday letter for the next two weeks. On

Monday, September 8, at 5:00 p.m., Chris will host a question-and-answer session in the Church. The wardens - Julie, Hudson, and Dee Ann – will be available for the Vestry and parishioners to call and visit. Then at the September Vestry meeting we will hold the vote.

Chris thanked the wardens for their support because this is a big idea and big step for Saint Michael. Assuming SMAA chooses to align with The Episcopal Church, then DEPO is triggered. Bishop Sumner has been clean and easy to work with on this process as other churches in the Diocese of Dallas have gone through DEPO already. In this process, Bishop Smith, becomes our pastoral bishop while we remain part of the Diocese of Dallas. Chris would like SMAA to be the big tent for everyone.

Chris then read a statement and reviewed the DEPO items as follows:

- 1- We have three Saint Michael parishioners in the discernment process for ordination. If we recommend them for ordination, they are currently limited to two specific seminaries of which only one is in The Episcopal Church. DEPO will allow them to choose among all Episcopal seminaries.
- 2- We will be able to access all the approved Episcopal liturgies, including the ones which are currently off limits to us. One of those liturgies would allow any members in good standing, regardless of gender, to receive the sacrament of marriage at Saint Michael.
- 3- Although we have been blessed with excellent clergy in recent years, the majority of Episcopal clergy will not consider working at a church that does not fully align with The Episcopal Church. As we continue to grow our congregation, DEPO will allow us to be as competitive as possible in our clergy recruitment.

#### **JUNIOR WARDEN'S REPORT – HUDSON WEICHSEL**

None

#### **TREASURER'S REPORT – BECKY ODLOZIL**

Financials – Refer to page 82 in the packet:

Becky has included a new cover page on the first document – Financial Overview as of July 31, 2025. As a reminder, the purpose of this is to provide a quick “at-a-glance” summary format of the details to follow and make the Operating and Restricted statements clearer when reviewed together.

Statement of Activities:

Becky reported that Total Revenue Available of \$4.8 million is ahead of budget by \$166,000, mostly from the Pledge category and a bit from Other Income (interest). YTD Operating

expense is \$4.3 million which is lower than we budgeted by \$98,000 and mostly due to timing differences in hiring staff and Operations having lower amount of space. She stated that we benefit on both the revenue side and the expense side, ending the period Revenue over Expense at \$550,000, which is \$265,000 better than budget. There are details on following page.

Becky asked for any questions. There were none.

#### Statements of Financial Position:

On the Operating statement, Becky reported that we have assets of \$109 million and on the Internal Fund Accounts Statement, we have assets of \$6.5 million, both of which are consistent with last month. The detailed statements on pages 84 thru 90.

Becky asked for any questions. There were none.

#### Construction Project Management:

Becky reported that the Construction Project Management section shows Spent \$42 million and with Current monthly draw \$2.3 million, leaving about \$30 million remaining to be spent which represents over 50% of the total approved by Vestry. Given that we are over half-way through the project, we decided to prepare an update from where we started (Vestry approval in Dec 2023) to where we are at this point, in the same format initially presented to the Vestry for their review and approval.

The Vestry Resolution designated \$78,434,551 to implement the project. Since that approval, several things changed that positively impacted the financials of the project. Becky stated that we have experienced higher levels of cash than expected due to accelerated receipt of pledge payments, and at the same time lower cash outlays than expected in the early stages of the project – both of which increased cash balances, interest income and delayed the date a bridge loan would be needed – pushing it out to May 2026 from initially thought Oct 2025 (narrowing that borrowing period and the amount needed to be borrowed – initially \$20 million and now \$7 million at the highest.) She also noted that a portion of the October Vestry Retreat will be allocated to discussion of the bridge loan.

The financials were updated and compared to the original version presented to the Vestry and can be seen on page 93 of the Vestry packet. There is an increase in interest income and decrease in interest expense which is a really large pickup. The contingency amount has been fully allocated (not spent), but we're able to add back some components that were initially excluded after Value Engineering. So the bottom line, because of the increase in cash balances and the ripple effects that has had, we are able to stay within the original amount approved while also including some items originally scoped out of the project.

Becky called for any questions on Construction Project Management.

Allison asked about a self-financed loan versus a bridge loan. Chris stated that very topic would be a large part of the discussion at the Vestry Retreat in October and the Vestry will be making decisions on it then.

J. was curious about a conventional bank loan and the interest rates associated with it. Chris replied that former treasurer, Janice Bywaters, secured a few quotes that will need to be updated. J. continued inquiring if the option of asking pledges to be paid early had been explored or revisited. With so many parishioners pre-paying already, it has saved quite a bit of interest and maybe is worth posing again.

### **OLD BUSINESS**

None.

### **NEW BUSINESS**

#### **DISCERNMENT RECOMMENDATIONS: BRIAN STOCK – CHRIS GIRATA**

Brian Stock's Discernment Committee Members (Kathy Hayes, Chair, Jack Marshallsea, Gabrielle Ott, Erica Sartain, Van Sheets, and Hudson Weichsel) affirmed his call to ordained ministry as a priest in the Episcopal Church in either bi-vocational capacity or full-time vocation. The Nomination and Commitment Letter by Congregation was presented and signed by the members of the Vestry present, which was two-thirds majority.

Chris reviewed and explained Brian's Discernment paperwork under the Diocese of Texas. Chris called for nomination and vote of Brian Stock for priesthood. A motion to approve and nominate was made by Squeaky with a second by Susan. There was a unanimous vote to approve. Vestry members present then signed Brian's nomination form. This was confirmed by the Clerk.

#### **CLERGY HOUSING ALLOWANCE – DEE ANN ANIGIAN AND ROB BABER**

On behalf of Rob, Dee Ann presented a Clergy housing allowance request. Clergy housing allowances are recommended annually for Vestry approval, usually in December, however, with the recent addition of Rev. David Faulkner as Associate for Worship and Liturgy, necessitates the approval be considered at this meeting. The IRS allows each ordained Clergy member to designate a portion of his or her annual salary as "Housing." This portion of income is not included in taxable income, does not change the salary and benefits to the Clergy, and has no effect on church financials. The IRS has specific guidelines, and each Clergy member consults with his or her own tax accountant to establish the appropriate amount. This amount has been submitted to the Director of Finance and is within a reasonable range.

A motion to approve the resolution pertaining to Clergy housing allowance as set forth for Rev. David Faulkner was made by Amanda and seconded by Allison. There was no discussion and the motion was unanimously approved.

The written resolution had been prepared in the event of approval and was signed by the Clerk following the vote.

### **ANNOUNCEMENTS**

None.

### **EXECUTIVE SESSION, ADJOURNMENT**

Dee Ann adjourned the meeting at 5:49 p.m. and moved the meeting into Executive Session. She invited Chris, Ken, Dianna, Becky, and Bitsy to stay. Dee Ann then moved the meeting out of Executive Session and back into regular session, adjourning the meeting at 6:25 p.m.

Respectfully submitted,

Bitsy Hudnall, Clerk of the Vestry