Finance Committee of the Vestry

Saint Michael and All Angels Church

Minutes, June 16, 2026

Present: Julie Allen, Becky Odlozil, Jeanie Sikes, Chris Wiley, Dennis Streit, Bill McGannon, Jim Smith, Janice Bywaters, Kathy Kelley, Michael Cosby, Glen Davison, Chuck Butterworth, Mike Reddell

Absent: Zoe Hart, Patrick Jenevein

Ex-officio present: Rob Baber (Director of Finance), Alma Vega-Rouse (Director of Advancement), The Rev. Ken Brannon (Vice Rector)

Ms. Odlozil opened the meeting with a prayer and asked for a motion to approve the May minutes. Mr. Davison made the motion; Mr. Butterworth seconded, minutes were approved.

1. **Advancement** – Ms. Vega Rouse announced that there were three tours for more than 300 people in late May, early June. There will be four tours in August. Volunteers are needed. Fall Stewardship events are also planned. Two will be in the new building but Ms. Vega-Rouse is looking for parishioner hosts for these October events. Three events will be hosted in parishioner homes. Historically, the gatherings have been very successful. Fr. Brannon announced that Ms. Vega-Rouse has a new title as the Executive Director of Advancement. This title gives her a wider site of responsibility of engagement, advancement, and communications. Ms. Vega-Rouse is gifted to cover all these areas. Congratulations to her!
2. **Review of Financial Statements -** Mr. Baber reported that year to date we are under budget. Total overall budget variance is a positive $190 thousand. Collections were a little lower for May, but still ahead for the year. Communications continues to have a budget overage. Most other differences are timing. Once the transition to the new building begins, Mr. Baber anticipates some increases in operation expenses. Ms. Kelley inquired about the Communications budget overage. Mr. Baber mentioned that areas within Communications are being identified to adjust or cutback, but critical communication publications will not be eliminated. Communications is now down a person due to Meredith Turner's resignation. The church is not currently hiring another person for the department so there will be some budget savings over the summer. Mr. Baber anticipates the variance to be

smaller than last year by the end of the year. Ms. Odlozil added that the financial commitments policy has a spending within approved budget section that requires advance approval by the Vestry of any expenditures if a budget overrun is expected to exceed $15 thousand or more. This requirement applies only to non-compensation expenses. Finance Committee is monitoring and Ms. Odlozil will discuss with vestry this month. Mr. Baber mentioned that the cash balance is low currently but that the Foundation will be reimbursing the operations cash about $238 thousand. The Foundation Capital Fund is still at $6.3 million. This will cover June and July constructions costs. In August, we anticipate using the bridge loan. Mr. Davison inquired about the phrasing of the pledge receivable wording in the prior month's minutes referring to $900 thousand of unfulfilled contributions. The wording in the minutes will be updated to clarify the different amounts that total $900 thousand. This amount included the shortfall of capital pledges of about $529 thousand and estimated bad debt expense of $367 thousand. However, the estimated bad debt is now lower. Actual unpaid pledges is already closer to $200 thousand from the $367 thousand according to Ms. Vega Rouse. In addition to this, there are pledge overpayments of about $436 thousand. This is detailed in section 8 of the Prichard Report.

Mr. Davison followed up with another question about the decline in the investment in Frederick Square. This is primarily depreciation as well as the fact that Frederick Square is operating at a loss. St. Michael occupies part of the space so there is less income producing space. The church is still accepting short term lease agreements through the end of 2027.

Mr. Wiley asked about the trajectory of Campbell Music Fund. Mr. Baber said the fund itself is maintained by the All Angels Foundation and is set up to support special feast days and is self-sustaining.

Mr. Baber highlighted the graph included in the packet noting the seasonality of the incoming pledges. Summer is slow.

3. **Capital Project/Prichard Report –** Ms. Odlozil referred to the May report in the packet. As of May 31st, we have spent about $67 million with about a $2 million monthly draw in May. We are 89% complete. The excess cash amount over expenses in the lower section (section 8) of the Prichard Report has not changed. Campaign pledges and interest income have provided a source of funds which can be used to support the transition into the new building. The plan is to earmark $250 thousand to fund the essential elements which are consistent with the fund's

restricted purpose through the end of 2027. Approval process will be the same as it has been throughout this project. Mr. Smith confirmed we originally budgeted interest expense of $2.2 million. That initial estimate has been updated to less than $50 thousand. This will create over $2 million in savings to be utilized in other areas.

4. **Loan Update –** Ms. Odlozil announced that the vestry approved the Inwood Bank loan the Finance Committee recommended last month. We received the negative pledge document. Mr. Butterworth and the Chancellors reviewed. There were no concerns. Ms. Odlozil expects to have the loan closed by June 30th.

5. As there was no new business, the meeting was adjourned. The next meeting is on Tuesday, August 18th.