

St Richards Episcopal Church
Finance Committee Meeting Minutes
January 15th, 2023

Present: Cameron Nations, David Todd, Pauline Hoehn, Jon Yates, Enrique Castro, John Dixon, Jeffrey Krech, Kent Brenneman

I. Opening Prayer

- a. Rector Cameron Nations opened the meeting at 6:35 pm with an opening prayer.

II. Reminder on Realm & Teams

- a. David Todd reminded the Committee to finish setting up our accounts with Realm and reminded that the systems migration to Microsoft Team would be fully implemented in March 2023.

III. Appointment of Financial Committee Meeting Clerk.

- a. David Todd announced the need for the Committee to have a Clerk to summarize the discussions and agreements taken during each meeting.
- b. Enrique Castro volunteered to be the Committee Clerk and was appointed unanimously by the members of the Committee.

IV. Rector Report

- a. Cameron Nations briefed the Committee on the recent activities St Richards is working on, highlighting that the start of the year is a busy season due to different yearly reporting requirements, including but not limited to:
 - i. St Richards Parochial report
 - ii. St Richards Annual Report
 - iii. St Richards Annual Meeting
 - iv. Several baptisms and confirmations scheduled for the first quarter of 2023
 - v. As mandated in the Safety and Disaster Preparedness plan approved by vestry in 2022, St Richards hosted our first ever Safety Saturday at the end of January, where Travis County and EMS workers participated with the parish and staff.
 - vi. Upcoming activities such as the Women's Retreat, Ash Wednesday and Diocesan Council

V. Senior Warden Report

- a. Pauline Hoehn was welcomed as the new Senior Warden.
- b. Pauline Hoehn provided members of the Committee an update on the activities of the Senior Warden, including but not limited to:
 - i. Reviewing the Annual Diocesan Report
 - ii. Approving the Playground Improvement Plan
 - iii. Working on the website new design
 - iv. Approving a fixed donation on a yearly basis (3 yr commitment) to the Round Rock Service Center

VI. Junior Warden Report

- a. Jeffrey Krech provided a report on his activities, highlighting the following:
 - i. AC units are fully installed and working properly, with minor follow up work that needs to be completed.
 - ii. St Richards electricity contract will be renewed in July and will go up from the current rate of 5.2 cents per kilowatt hour to around 5.8 cents per kwh. This is a better rate than the previous estimate of 6.5 cents per kwh thanks to the work of Jeffrey Krech with the electricity broker.
 - iii. One member of the Committee mentioned the option of solar to power the electricity needs of the parish, and its possibility was discussed.

VII. Stewardship Report

- a. David Todd mentioned that 2023 marks the end of the current capital campaign servicing parish hall debt, and that the Committee needs to work on a plan to sustainably cover the capital needs of the parish. David Todd also noted that as of January 2023, more than 60% of the FTB original balance has been paid, and that the reamortization implemented during 2022 helped decrease the monthly cost of current liabilities.
- b. David Todd mentioned that St Richards is very good at managing expenses, but more work is needed to achieve a higher rate of giving. Several options were discussed, including but not limited to:
 - i. The rental of the parish hall, which is projected to receive \$14,000 in revenue during 2023 but it is very possible it will receive more than budget, since it already has booked around \$3,400. One member mentioned that in order to breakeven, the Parish Hall needs to generate around \$33,000 in revenue.
 - ii. The creation and implementation of an endowment for St Richards
 - iii. Organizing an Estate Planning Event for the members of St Richards, educating people and helping them setting up trusts and adding St Richards as one of the beneficiaries.
- c. One member mentioned that the two previous capital campaigns have not been very successful, and that during 2023 more work needs to be done to increase giving and being able to cover all financial needs in a sustainable fashion.
- d. Another member said that larger churches in Houston have endowments that are used to pay for operating expenses.

VIII. Treasurer Report & Financials

- a. David Todd presented St Richards financial results as of January 31st, 2023.
- b. There was a bigger than expected negative result for the month, as a result of accounting transfers from the previous year and carryover expenses. David Todd mentioned that a re-run of the 2022 financials may be needed, but the amounts were within a 5% range according to general accounting principles.
- c. One member reminded that by the end of 2023, the money to cover debt payments will be depleted, and starting in 2024 an estimated \$126,000 would be needed every year to cover the minimum payments of the current liabilities.

- d. Another member mentioned that the national giving rate ranges between 20% and 25%, and that St Richards has a giving rate slightly above the national average.
- e. Another member suggested to look at other nearby churches that have a giving rate above the national average and research what strategies they have followed in the past to get to that level.
- f. Another member mentioned that the new cost sharing agreement with the Preschool will help increase revenue during the year, given that for the past 4 years the cost to the preschool has not increased. This change in the cost sharing agreement will reflect an increase in the monthly

IX. Discussion & Voting

- a. A motion was made by Kent Brenneman and seconded by Yon Yates to approve the voting items of the session:
 - i. Preschool Cost Sharing Agreement – No changes
 - ii. Update Approval Thresholds for purchases and large budget items
 - iii. Clerk for Endowment Board of Trustees

Respectfully submitted,
Enrique Castro
Secretary