Church of the Epiphany
2020 Parish Meeting

18 October 2020
Agenda

- Call Meeting to Order
- Opening Prayer
- Housekeeping
- State of the Church
- Financial Sustainability
- Elections
- Stewardship
- Close
Housekeeping

Meryl Glidewell, Parish Registrar

- Confirm Quorum
- Voting Process
  - Voting via Zoom poll
  - For those sharing a Zoom log-in, use the chat box to vote
  - Any issues with poll, use the chat box with hosts
  - For those calling in without Zoom, unmute (*6) to communicate your vote
State of the Church

D’Oneice Dillard, Senior Warden
Current Financial Picture

Scott Marquardt, Treasurer
Epiphany “Balance Sheet”

Assets

• Dedicated, Faithful Parishioners, Rector and Staff
• Beautiful Building, centrally located
• Socially responsible Mission
• Stable short-term financial situation

Liabilities

• Declining ability to support our Mission financially longer-term
• Aging building is increasingly expensive to keep up
• Covid-19 impact
Historical Fiscal Overview

Tonda Rush, Former Treasurer
What Does it take to Keep the Doors Open?

- Pledged, plate, other income minus Basic Operating and Program costs
Investment Income is in Decline Since Endowment was Spent on Renovation
Financial Sustainability Committee

Meryl Glidewell, Co-Chair  Ṇ  Judy Thomas, Co-Chair

David Downes       Kathy Haines
Glenn Greene        Caroline Klam
Financial Sustainability Topics

- Purpose & Charter
- Approach to Financial Sustainability
- Potential Solutions
- Path Forward
- Parish Engagement
Financial Sustainability Committee Purpose & Charter

- Chartered by Vestry
- Explore, research, and vet ideas to discern how the Epiphany is able to maintain mission, ministry, and achieve long-term financial sustainability
- Exploring all available solutions that help ensure long term dedicated funding streams that are not dependent on grant or pledge income.
- Work in collaboration with the Rector, Finance Committee, Treasurer, Wardens, Vestry, and Diocesan Consultants
Approach to Financial Sustainability

- Analyzed historical income and expenditures trends
- Quantified known facility deferred maintenance cost
- Forecasted likely financial needs to achieve sustainability
### Historical Income / Expense Profile

#### Income Expense Surplus / (Deficit)

<table>
<thead>
<tr>
<th>Year</th>
<th>Income</th>
<th>Expense</th>
<th>Surplus / (Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2004</td>
<td>$519</td>
<td>$668</td>
<td>($149)</td>
</tr>
<tr>
<td>2005</td>
<td>$681</td>
<td>$765</td>
<td>($84)</td>
</tr>
<tr>
<td>2006</td>
<td>$770</td>
<td>$795</td>
<td>($25)</td>
</tr>
<tr>
<td>2007</td>
<td>$640</td>
<td>$752</td>
<td>($112)</td>
</tr>
<tr>
<td>2008</td>
<td>$594</td>
<td>$796</td>
<td>($202)</td>
</tr>
<tr>
<td>2009</td>
<td>$617</td>
<td>$744</td>
<td>($127)</td>
</tr>
<tr>
<td>2010</td>
<td>$606</td>
<td>$760</td>
<td>($154)</td>
</tr>
<tr>
<td>2011</td>
<td>$479</td>
<td>$765</td>
<td>($286)</td>
</tr>
<tr>
<td>2012</td>
<td>$524</td>
<td>$738</td>
<td>($214)</td>
</tr>
<tr>
<td>2013</td>
<td>$699</td>
<td>$783</td>
<td>($84)</td>
</tr>
<tr>
<td>2014</td>
<td>$676</td>
<td>$804</td>
<td>($128)</td>
</tr>
<tr>
<td>2015</td>
<td>$682</td>
<td>$885</td>
<td>($202)</td>
</tr>
<tr>
<td>2016</td>
<td>$656</td>
<td>$868</td>
<td>($213)</td>
</tr>
<tr>
<td>2017</td>
<td>$714</td>
<td>$833</td>
<td>($119)</td>
</tr>
<tr>
<td>2018</td>
<td>$654</td>
<td>$885</td>
<td>($231)</td>
</tr>
<tr>
<td>2019</td>
<td>$750</td>
<td>$844</td>
<td>($94)</td>
</tr>
</tbody>
</table>

#### Note

Excludes bequests or "anonymous angel" giving due to unpredictable nature of both timing and value.
## Known Facility Deferred Maintenance

### Short Term & Operating

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>HVAC: Cooling tower, chill water pump strainers, McQuay rooftop unit, AC time clock</td>
<td>$7,500</td>
</tr>
<tr>
<td>Sanitation: Victory Professional Electrostatic Sprayer</td>
<td>$2,300</td>
</tr>
<tr>
<td>First Floor Painting</td>
<td>$5,000</td>
</tr>
<tr>
<td>Willard Room Carpet Replacement</td>
<td>$2,000</td>
</tr>
<tr>
<td>Replace Light Switches and Outlets in Narthex</td>
<td>$800</td>
</tr>
<tr>
<td>Sound System Upgrade</td>
<td>$5,000</td>
</tr>
<tr>
<td>Storm Cellar Door Replacement / Repair</td>
<td>$5,000</td>
</tr>
<tr>
<td>Electrical Panel Upgrade (between Narthex &amp; Church)</td>
<td>$3,500</td>
</tr>
<tr>
<td>Plaster repair in Narthex and stairwells</td>
<td>$3,000</td>
</tr>
<tr>
<td>Wrought Iron Gate Repair &amp; Reset</td>
<td>$23,000</td>
</tr>
<tr>
<td>Repointing Exterior Wall Above Flower Room Ceiling</td>
<td>$11,500</td>
</tr>
<tr>
<td>Professional brass cleaning in Narthex</td>
<td>$10,000</td>
</tr>
<tr>
<td>Kitchen Equipment (3 Freezers &amp; Stove)</td>
<td>$6,400</td>
</tr>
<tr>
<td>WiFi System Upgrade</td>
<td>$2,000</td>
</tr>
<tr>
<td>Organ: Build Console platform dolly, custom console cover, key height regulation nuts, tune thumb pistons, repairs to Echo Division, tuning</td>
<td>$9,400</td>
</tr>
</tbody>
</table>

**TOTAL SHORT TERM** $96,400

### Long Term / Capital Campaign

<table>
<thead>
<tr>
<th>Description</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automating the HVAC System: Valve regulators, electronic controls, allows remote control (utility savings)</td>
<td>$40,000</td>
</tr>
<tr>
<td>Replace all light fixtures with LED ballasts &amp; bulbs (utility savings)</td>
<td>$10,000</td>
</tr>
<tr>
<td>Second and Third Floor Painting</td>
<td>$10,000</td>
</tr>
<tr>
<td>Flat Roof Replacement (Bell Tower, Parish Hall, Flower Room)</td>
<td>$80,000</td>
</tr>
<tr>
<td>Stained Glass Window Repairs &amp; Cleaning</td>
<td>$75,000</td>
</tr>
<tr>
<td>Replace all bathroom toilets</td>
<td>$5,000</td>
</tr>
<tr>
<td>Second Floor Bathroom: Architectural Plan for 2nd Floor to reconfigure the space that the bathrooms occupy</td>
<td>$500,000</td>
</tr>
<tr>
<td>Organ: Replacing the Copeman State Trumpet Wind regulator, and the Solo Flue</td>
<td>$9,700</td>
</tr>
<tr>
<td>Organ: Replacing the magnetic travelers on all 144 of the console draw stops</td>
<td>$6,600</td>
</tr>
<tr>
<td>Major Console Rebuilding</td>
<td>$100,800</td>
</tr>
<tr>
<td>Reed cleaning</td>
<td>$106,000</td>
</tr>
<tr>
<td>Proper Sized Solo Division Blower</td>
<td>$20,200</td>
</tr>
<tr>
<td>Re-staining balcony pews</td>
<td>TBD</td>
</tr>
<tr>
<td>Organ: Build Console platform dolly, custom console cover, key height regulation nuts, tune thumb pistons, repairs to Echo Division, tuning</td>
<td>$9,400</td>
</tr>
</tbody>
</table>

**TOTAL LONG TERM** $963,300

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**Facility Maintenance Needs Outpaces Facility Spend Approx. $30-$40K per Year**
Financial Trends

Trends:

- **Best Case:** Includes all income and expense sources; sustainability gap ~$205-215K/yr.
- **Worst Case:** Includes all pledge & plate and expense; excludes external income due to COVID impacts; sustainability gap ~$530K-540/yr.
- **Most Likely:** Includes all pledge & plate and expense; reduces external income 50% due to COVID impacts; sustainability gap ~$380-390K/yr.
Financial Sustainability Conclusions

• It is clear that structural financial changes are necessary for long term financial sustainability
  • Financial situation pre-dates COVID by at least a decade
  • We can’t continue to finance our operations the way we have and continue to weather challenges, even after we recover from COVID
  • Without change Epiphany will likely consume all financial resources by 2022/2023
• Solutions that do not decrease expenses or increase income by ~$400K including deferred maintenance are likely not financially sustainable
Potential Solutions

Researching Solutions Implemented by Others who Faced Similar Financial Challenges with Expert Guidance

Considering All Options:
- Changes to staffing
- Changes to operating structures
- Merging congregations
- Repurposing the building
- Closing the church
- Combinations of these options

With Guidance From:
- Canon Paula Clark, Diocese of Washington
- Sacred Spaces Conservancy
- Partners for Sacred Places
- Other parishes including Calvary Center in West Philadelphia
- Finance Committee & Accountant
- Epiphany Archivist
Path Forward

- Preliminary committee recommendations to the Vestry in November 2020
- Opportunity for Parish engagement and feedback
- Formal committee recommendations to the Vestry in February 2021
- Decisions on our path forward reside with the Vestry in conjunction with the Rector and Diocese
- Expecting to make a decision on the next steps in 1st quarter of 2021
Parish Engagement

- Epiphany Happens email newsletter
- Annual Parish Meeting Presentation
- Town Hall Sessions
  - November 8th after Morning Prayer
  - November 15th after Morning Prayer
- Email questions to communications@epiphanydc.org
Elections
Vestry Nominees

Glenn Greene

Meryl Glidewell

Judy Thomas

Bruce Gilchrist

Kathy Gallagher
Zoom Voting

Using Zoom From Computer Or Phone

• Poll automatically pops up on your screen
• Select your response
• Hit Submit
• Don’t see the poll, send your response via the chat box
• For those sharing a Zoom log-in, use the chat box to communicate your vote to the moderator

Dialed In From A Phone (No Zoom App)

• Unmute using *6 and communicate your vote verbally
Stewardship
October 27
at
7:30PM
On Zoom!
Stewarding Transformation

See you then!
The Church of the Epiphany is a diverse downtown DC Episcopal community working for Christ-centered transformation in our hearts and in the world by seeking justice and loving our neighbor as ourselves. We manifest God's love primarily through our service to the poor and through the gift of music.
Connect with us!

Join our mailing list: Send an email with your name and contact information to:

communications@epiphanydc.org

Follow us on social media:

@EpiphanyDC @EpiphanyDC @ChurchOfTheEpiphanyDC

Send prayer requests:

info@epiphanydc.org