

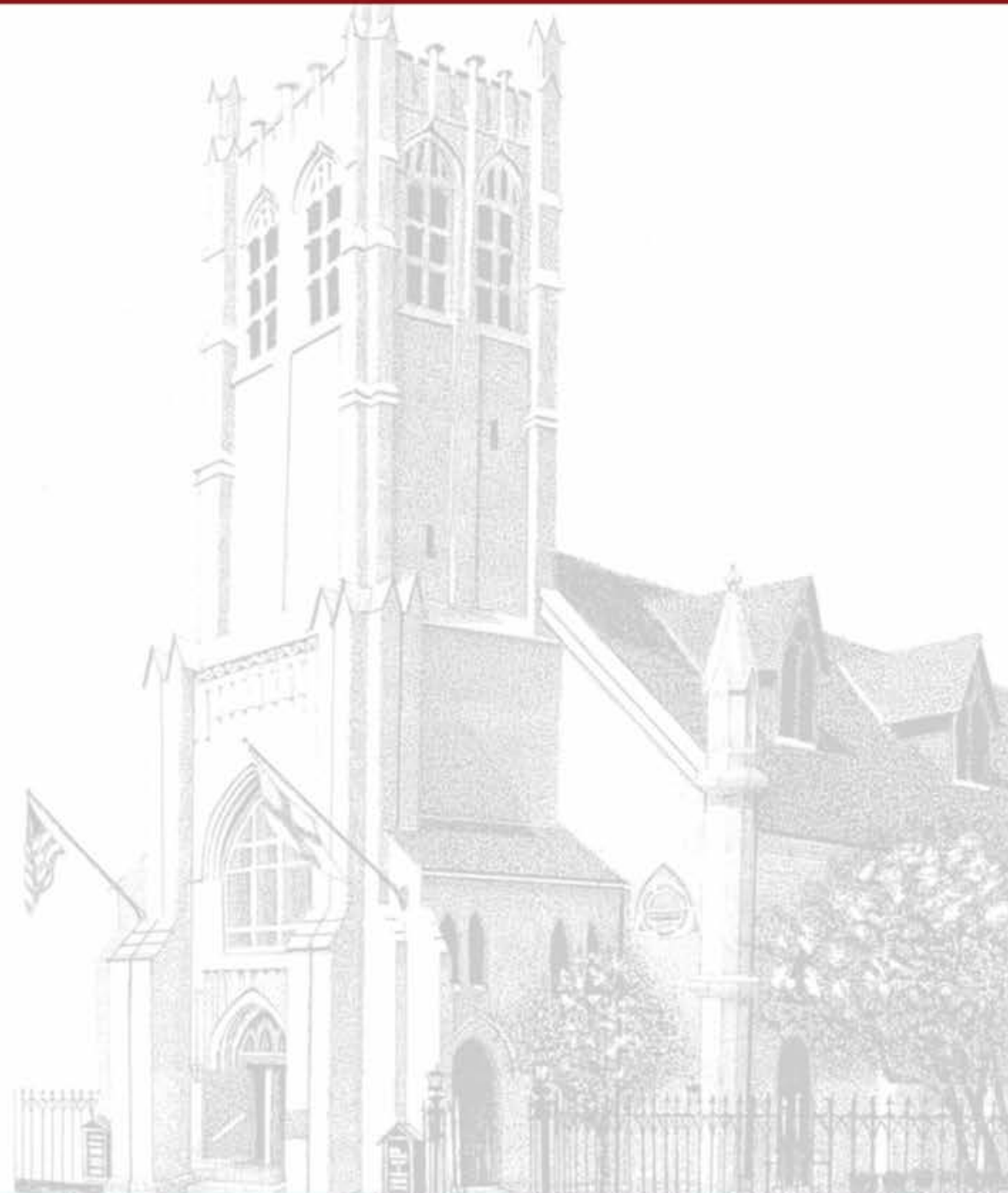
Church of the Epiphany 2020 Parish Meeting

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



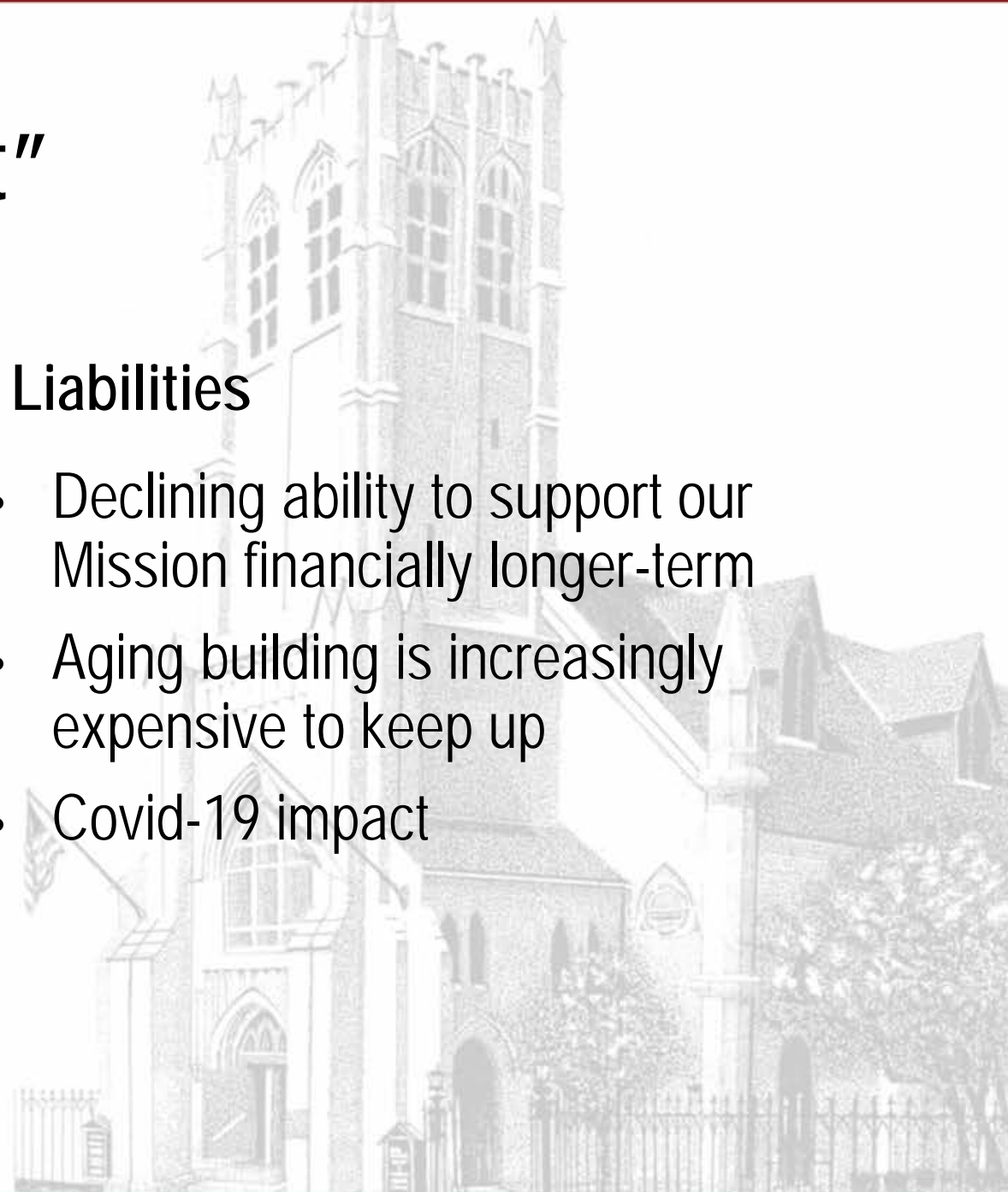
Epiphany “Balance Sheet”

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

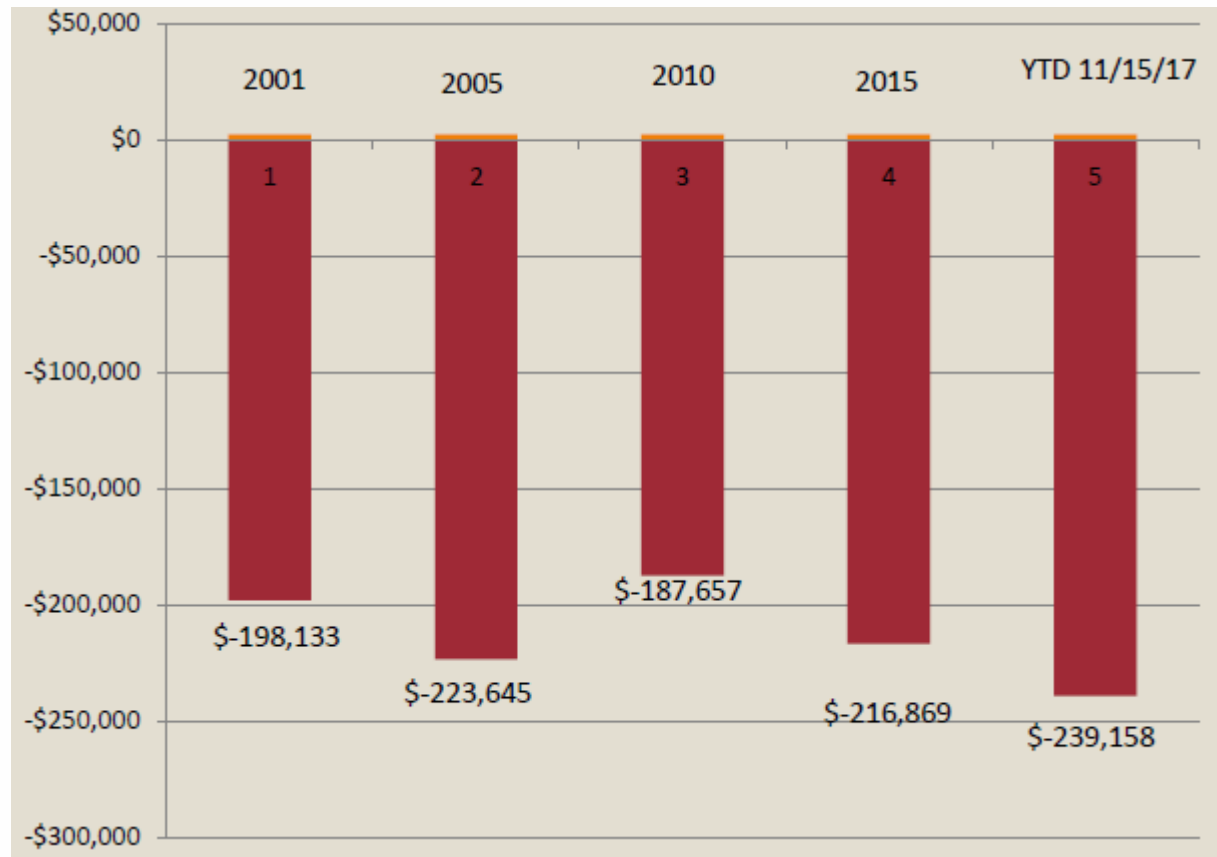


Historical Fiscal Overview

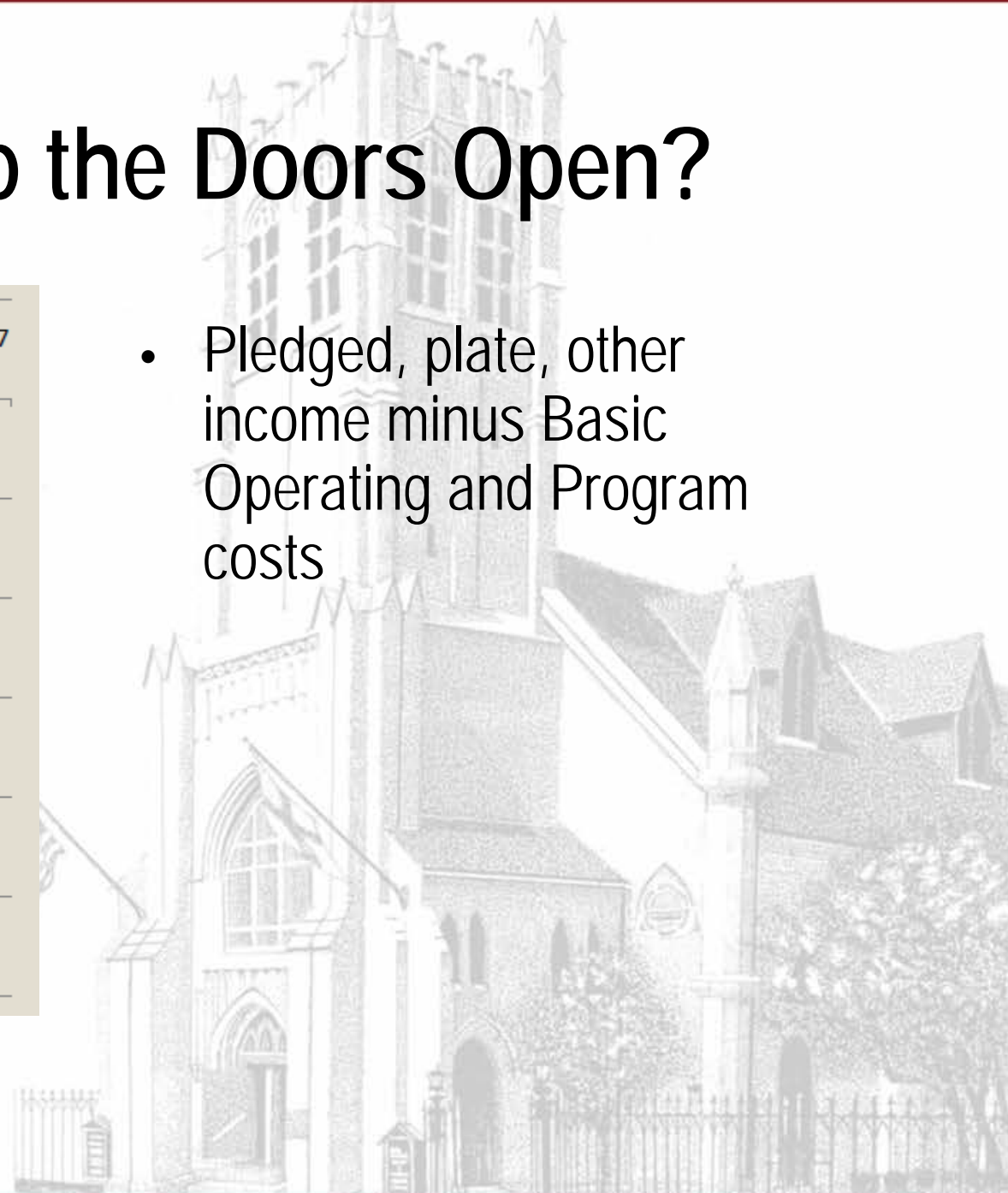
Tonda Rush, Former Treasurer



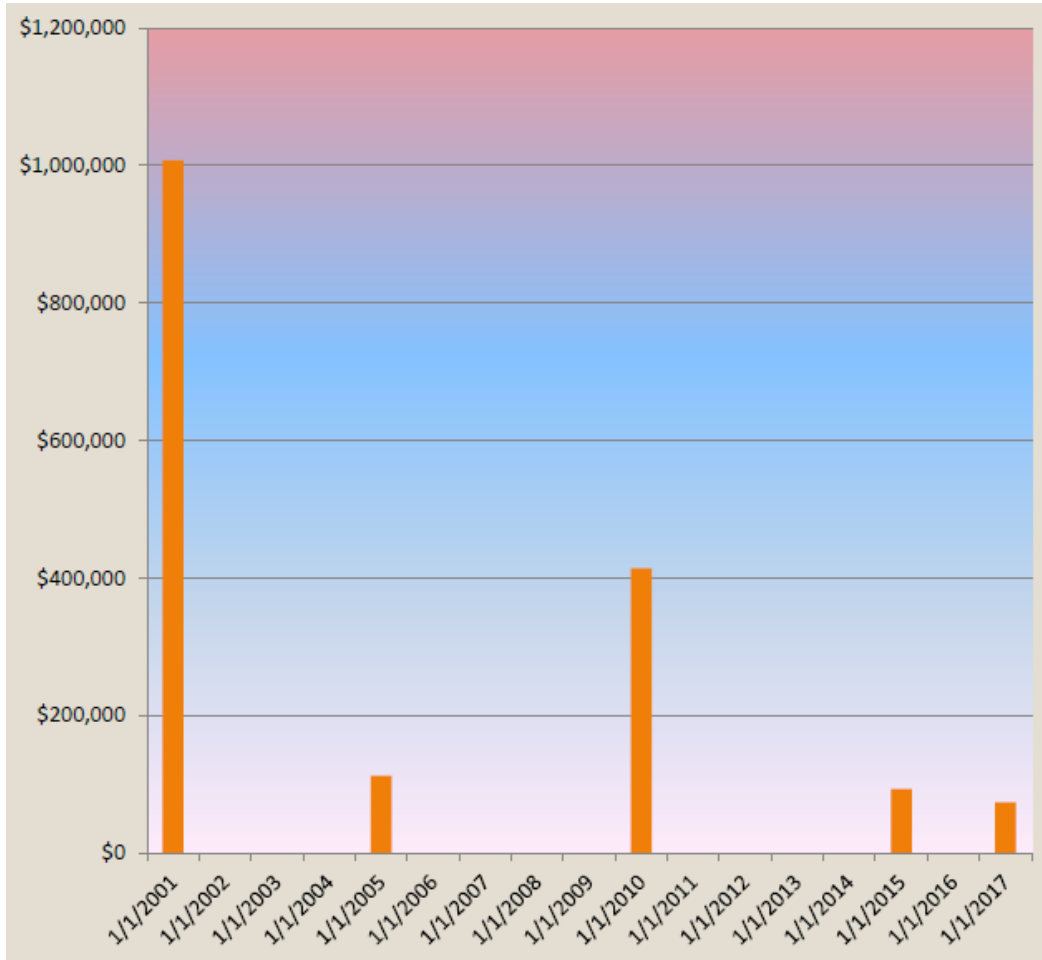
What Does it take to Keep the Doors Open?



- Pledged, plate, other income minus Basic Operating and Program costs



Investment Income is in Decline Since Endowment was Spent on Renovation

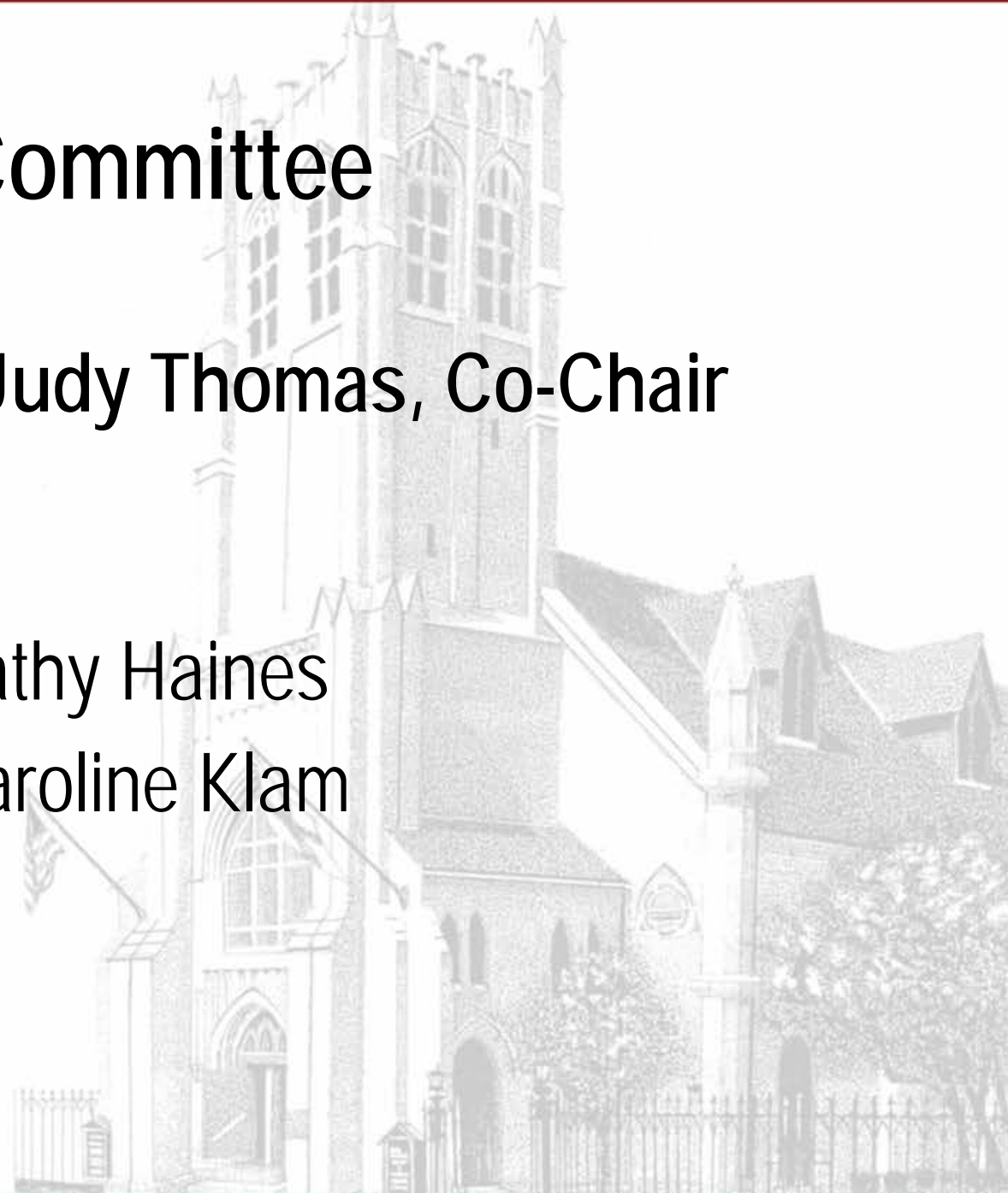


Financial Sustainability Committee

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

David Downes
Glenn Greene

Kathy Haines
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

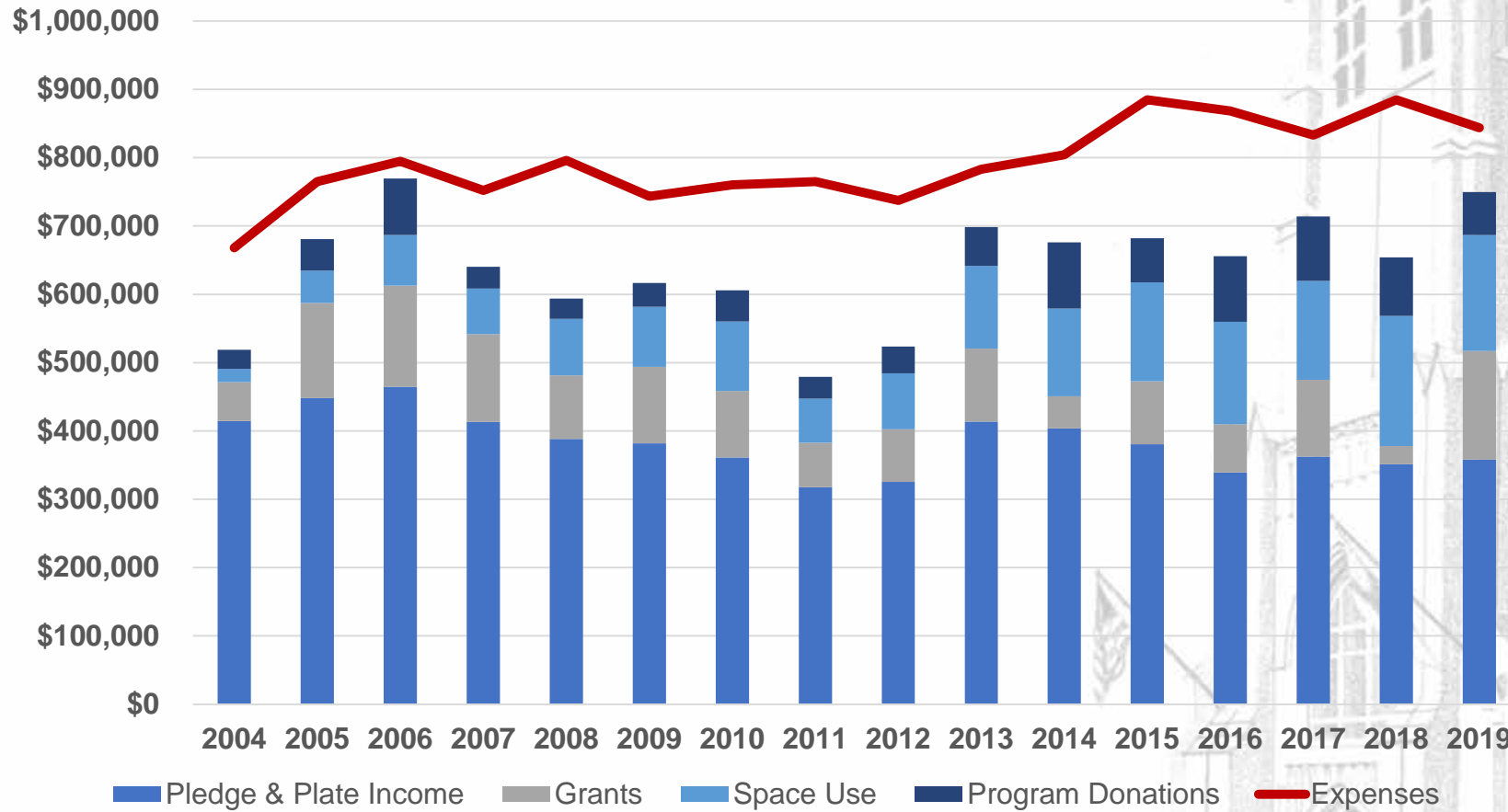
Approach to Financial Sustainability



- Analyzed historical income and expenditures trends
- Quantified known facility deferred maintenance cost
- Forecasted likely financial needs to achieve sustainability

Used a Data Driven Approach to Determine Financial Sustainability Gap

Historical Income / Expense Profile



Note: Excludes bequests or "anonymous angel" giving due to unpredictable nature of both timing and value

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

Expenses Outpaced Income Over Past Decade

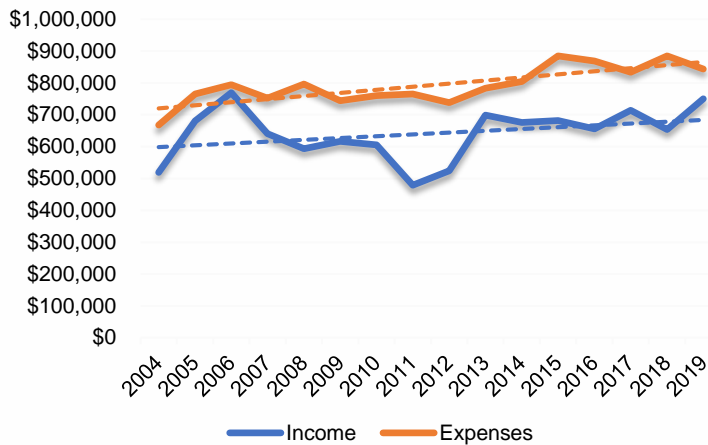
Known Facility Deferred Maintenance

Short Term & Operating		Long Term / Capital Campaign	
HVAC: Cooling tower, chill water pump strainers, frequency drive, Mcquay rooftop unit, AC time clock	\$7,500	Automating the HVAC System: Valve regulators, electronic controls, allows remote control (utility savings)	\$40,000
Sanitation: Victory Professional Electrostatic Sprayer for sanitation of large spaces (labor savings)	\$2,300	Replace all light fixtures with LED ballasts & bulbs (utility savings)	\$10,000
First Floor Painting	\$5,000	Second and Third Floor Painting	\$10,000
Willard Room Carpet Replacement	\$2,000	Flat Roof Replacement (Bell Tower, Parish Hall, Flower Room)	\$80,000
Replace Light Switches and Outlets in Narthex (safety concern)	\$800	Stained Glass Window Repairs & Cleaning	\$75,000
Sound System Upgrade	\$5,000	Replace all bathroom toilets	\$5,000
Storm Cellar Door Replacement / Repair	\$5,000	Second Floor Bathroom: Architectural Plan for 2nd Floor to reconfigure the space that the bathrooms occupy	\$500,000
Electrical Panel Upgrade (between Narthex & Church)	\$3,500	Organ: Replacing the Copeman State Trumpet Wind regulator, and the Solo Flue	\$9,700
Plaster repair in Narthex and stairwells	\$3,000	Organ: Replacing the magnetic travelers on all 144 of the console draw stops	\$6,600
Wrought Iron Gate Repair & Reset	\$23,000	Organ: Major Console Rebuilding	\$100,800
Repainting Exterior Wall Above Flower Room Ceiling	\$11,500	Organ: Reed cleaning	\$106,000
Professional brass cleaning in Narthex	\$10,000	Organ: Proper Sized Solo Division Blower	\$20,200
Kitchen Equipment (3 Freezers & Stove)	\$6,400	Re-staining balcony pews	TBD
WiFi System Upgrade	\$2,000		
Organ: Build Console platform dolly, custom console cover, key height regulation nuts, tune thumb pistons, repair pedal principal 16', repairs to Echo Division, tuning	\$9,400		
TOTAL SHORT TERM	\$96,400	TOTAL LONG TERM	\$963,300

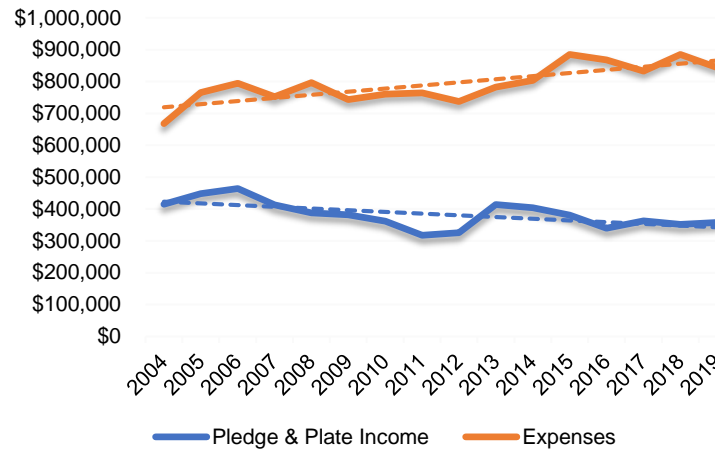
Facility Maintenance Needs Outpaces Facility Spend Approx. \$30-\$40K per Year

Financial Trends

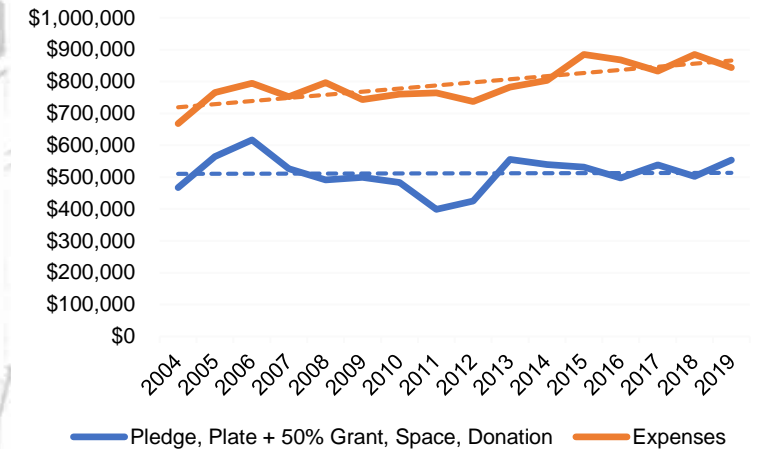
Income & Expense Trends (Best Case)



Income & Expense Trends (Worst Case)



Income & Expense Trends (Most Likely)



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:

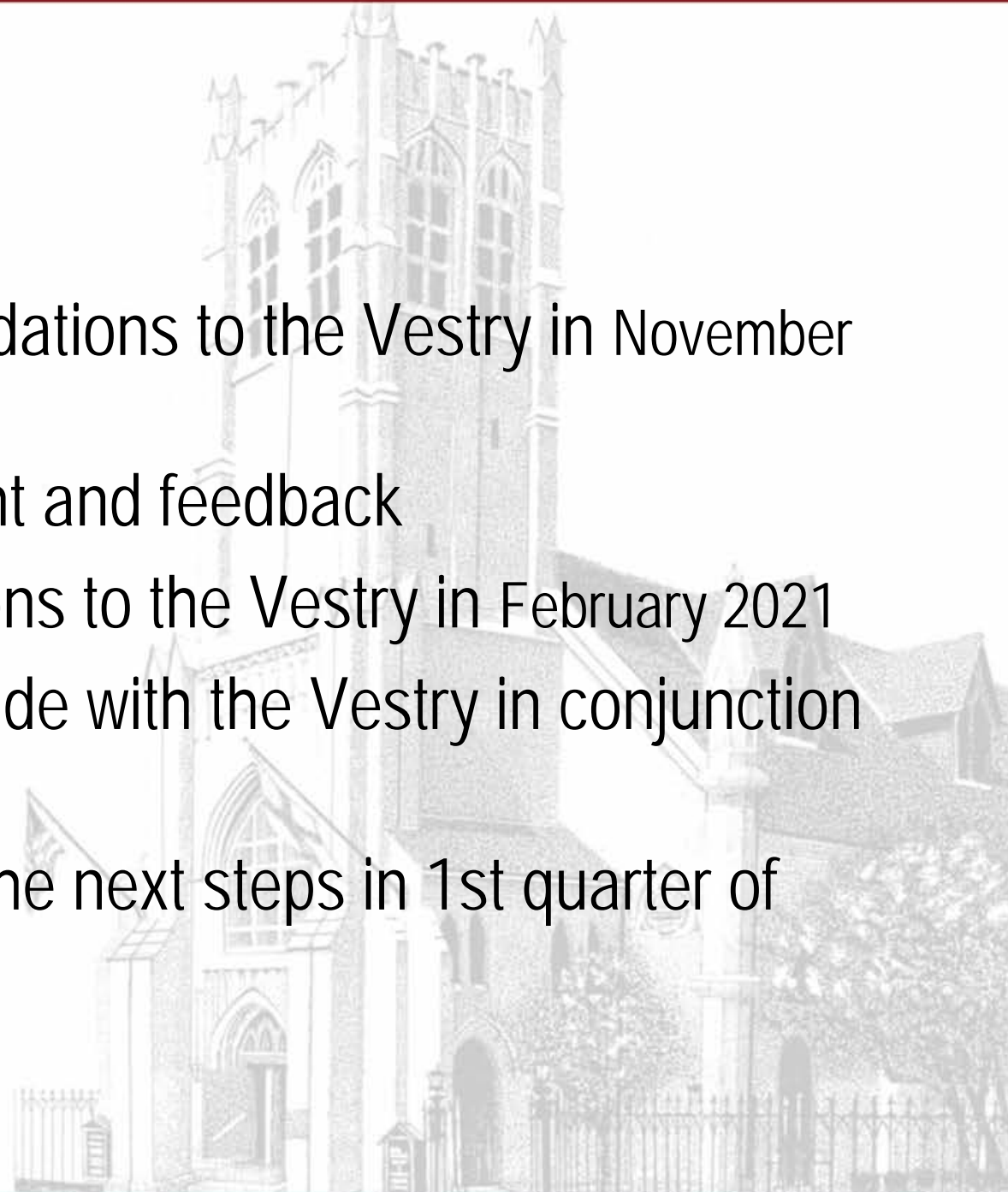
- Changes to staffing
- Changes to operating structures
- Merging congregations
- Repurposing the building
- Closing the church
- Combinations of these options

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

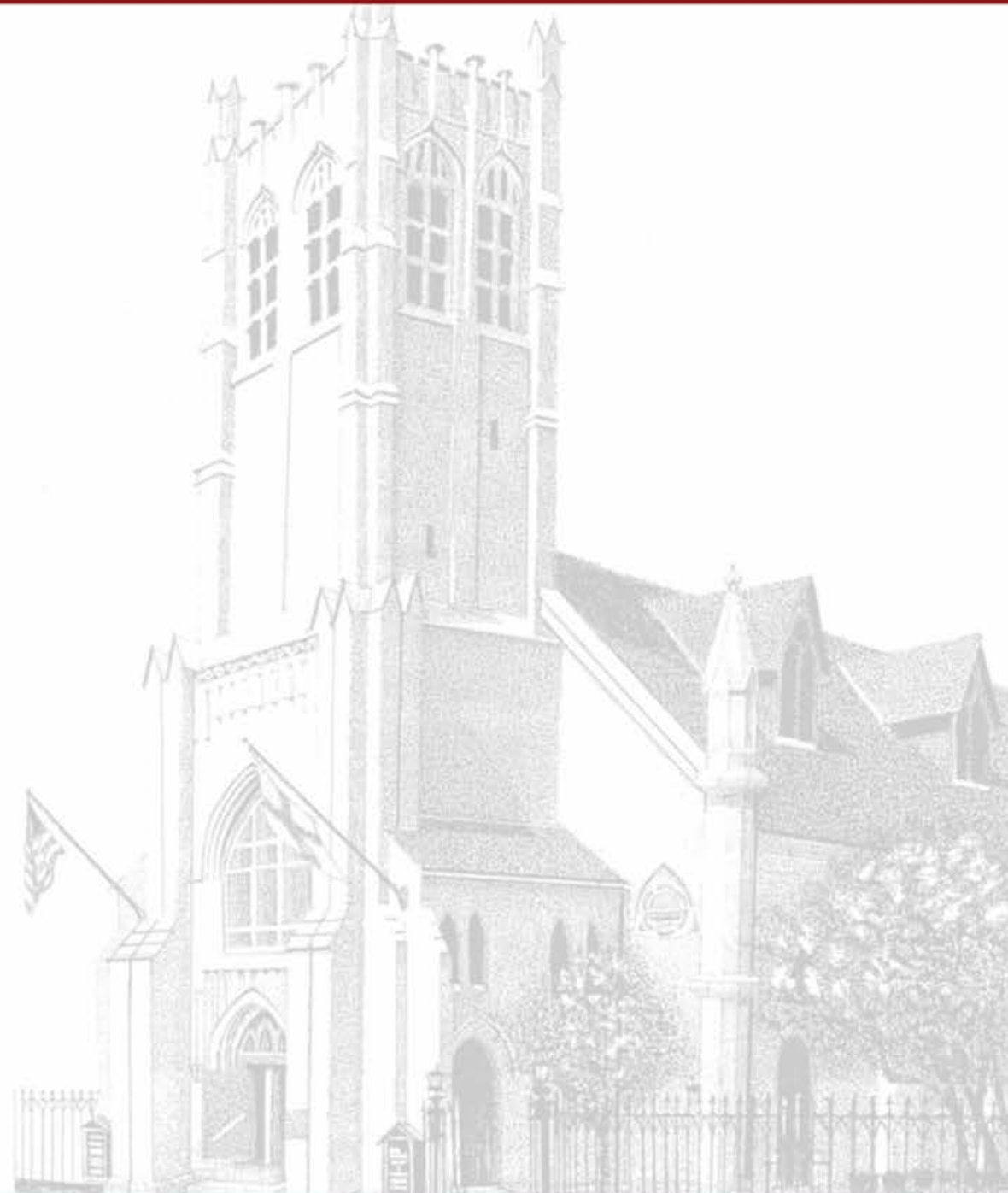


Parish Engagement

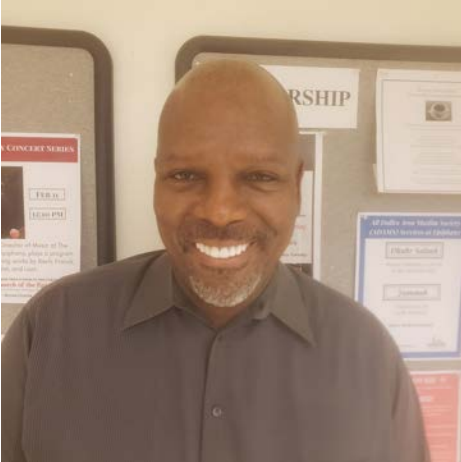
- Epiphany Happens email newsletter
- Annual Parish Meeting Presentation
- Town Hall Sessions
 - November 8th after Morning Prayer
 - November 15th after Morning Prayer
- Email questions to communications@epiphanydc.org



Elections



Vestry Nominees



Glenn Greene



Judy Thomas



Bruce Gilchrist



Meryl Glidewell



Kathy Gallagher



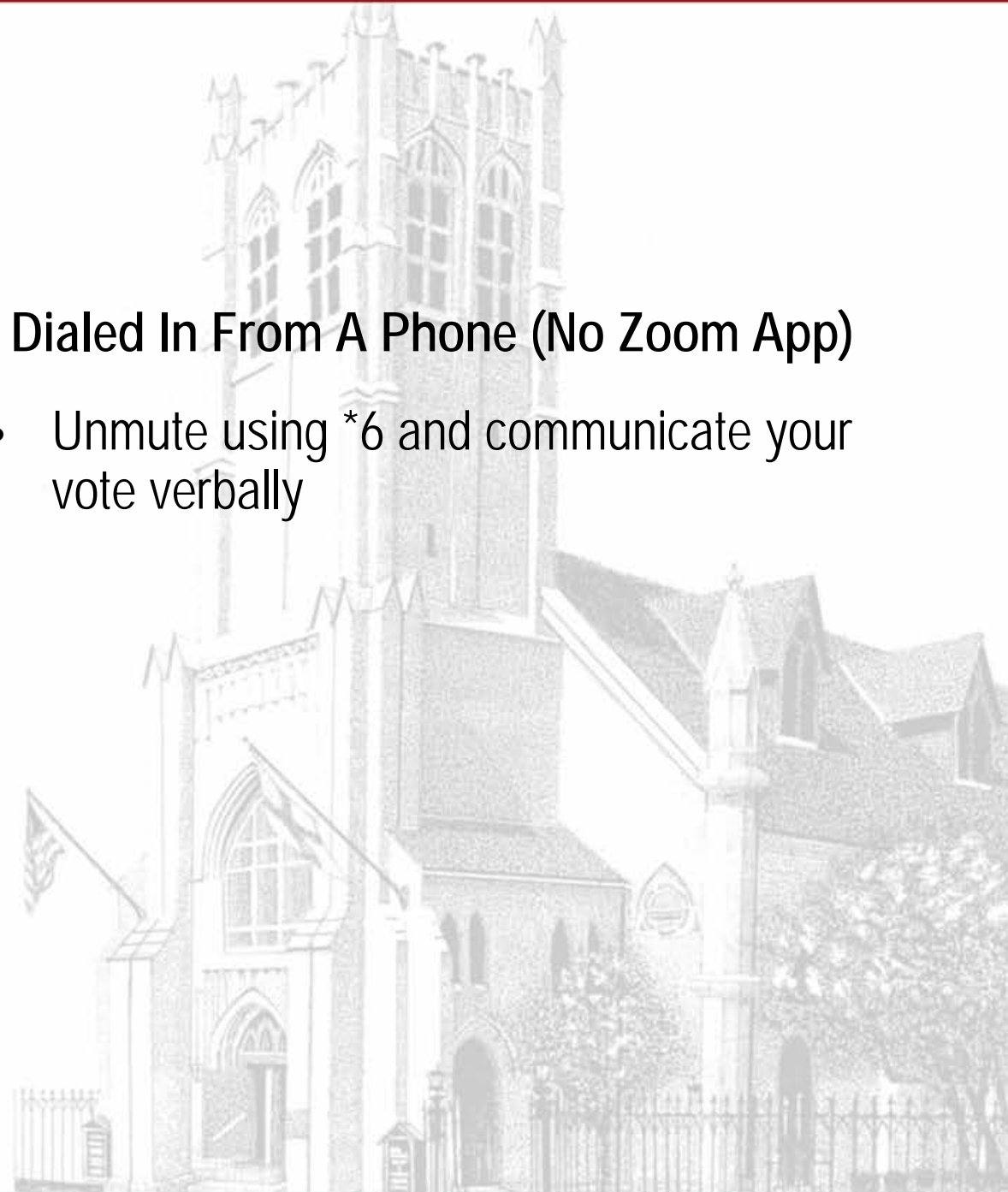
Zoom Voting

Using Zoom From Computer Or Phone

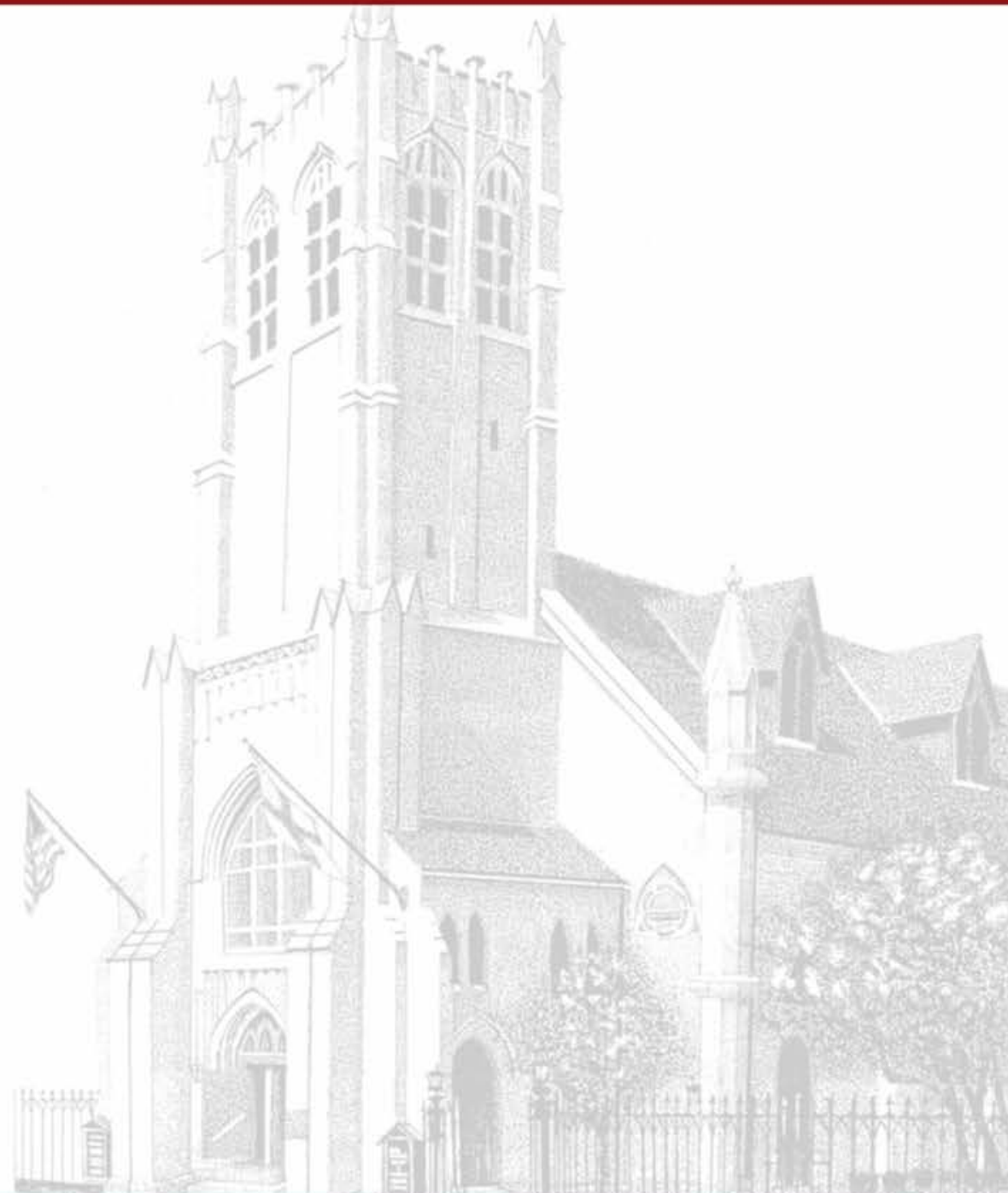
- Poll automatically pops up on your screen
- Select your response
- Hit Submit
- Don't see the poll, send your response via the chat box
- For those sharing a Zoom log-in, use the chat box to communicate your vote to the moderator

Dialed In From A Phone (No Zoom App)

- Unmute using *6 and communicate your vote verbally



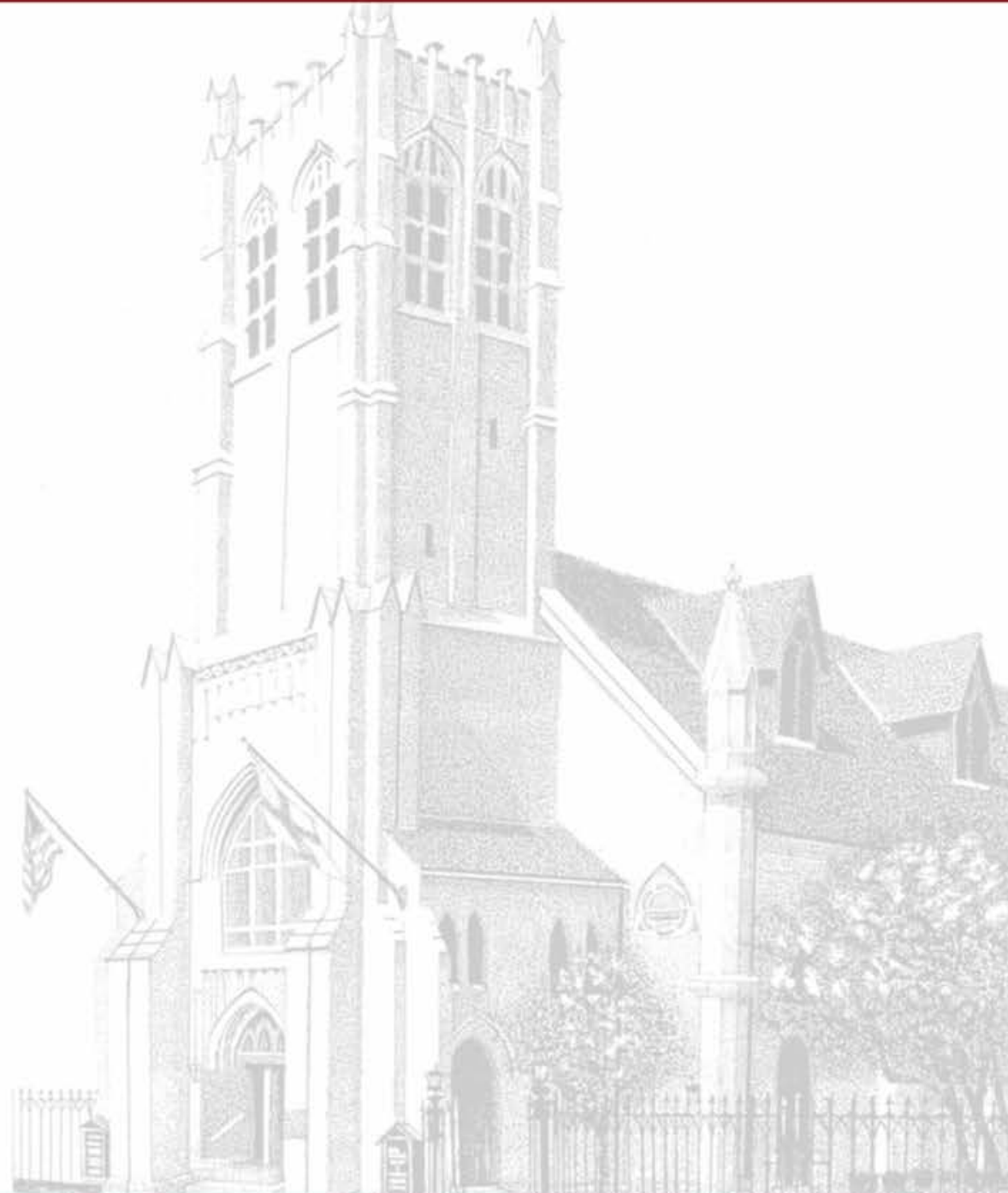
Stewardship







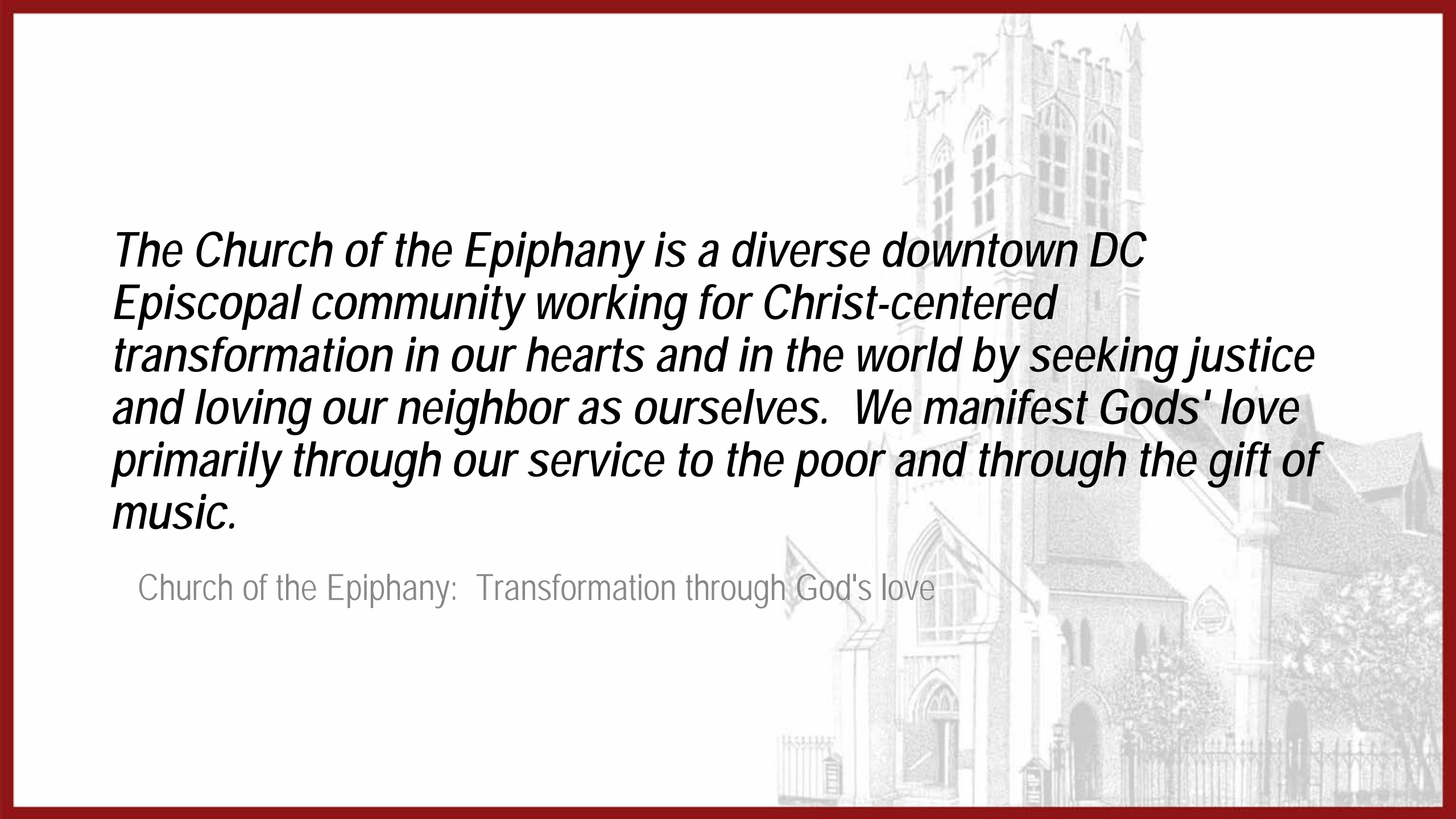
October 27
at
7:30PM
On Zoom!



*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 Gods' love primarily through our service to the poor and through the gift of music.

Church of the Epiphany: Transformation through God's love

Connect with us!

Join our mailing list:

Send an email with your name and contact information to:

**communications@
epiphanydc.org**

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@ChurchOfTheEpiphanyDC

Send prayer requests:

info@epiphanydc.org