

**Funding the Mission Task Force
A Report to the Vestry of St. Paul's
September 18, 2018**

At the Annual Meeting in January 2018, Father Duncan Johnston described the financial state of the church. A key point of his report was that we cannot continue to rely upon the Memorial Endowment Trust (MET) for operating support without depleting it to the point that the financial health of the church is jeopardized. Approximately \$82,000 per year on average has been withdrawn for operational support stretching back many years. Often this sum has been well into six figures. This would represent a manageable level of withdrawal from the endowment if it were the only demand upon the MET. However, with additional substantial withdrawals to maintain and repair the buildings and grounds, the current practice is unsustainable.

Father Duncan highlighted the need for a thorough assessment of the church's finances and for recommendations to strengthen its resources so that we can make the most of our opportunities, capitalize on the new start we are embracing, and fulfill our spiritual vision.

To address this critical issue, the Vestry established the Funding the Mission Task Force to examine strategies to grow our income and opportunities to reduce spending without cutting back on essentials. The Task Force includes Father Duncan, Barbie Bach, Caroline Ellison, Geoff Dunham, Simon Lack, Richard Sharpless under the leadership of Alec Reynolds. Kevin Moore, Treasurer, and Alex Antonelli, on behalf of the Capital Needs Committee, provided critical input.

While we all must recognize the seriousness of the financial challenges we face, the Task Force is confident that the parish can place St. Paul's on a solid financial foundation for the long-run if we work together to successfully implement the Strategies and Recommendations outlined in this report. The Task Force recognizes the work done and leadership provided by the Vestry in facing the harsh facts of numerical decline (See Appendix) and taking crucial steps to address it.

Most important in this respect was the faith-filled decision to call a new Rector whose general approach to parish ministry is outward-looking and evangelistic. We are enthusiastic about the progress Father Duncan has made in his first year, including building the right staff team to develop St. Paul's as an outward-looking, mission-minded parish. The Rev. John Francis Maher, Mark Hyczko, and Kim L'Hommedieu each bring gifts that will add significantly to creating a new evangelistic culture in St. Paul's. This report includes a vision statement for our future.

As part of its work, the Task Force has also created a 3-year financial plan. It is guided by our recommendation that the parish should operate a balanced operating budget. This will require growth in Pledge and Other Income, demanding greater sacrifice from current members while the strategies to grow our membership bear fruit over the next two to three years. Accordingly, we recommend a bolder Pledge Income request be made of the parish in 2019 as a critical investment in our future, building on the response from the parish in 2018 (see Appendix). We also recommend important steps to fully integrate the finances of the St. Paul's Day School into the parish financial statements.

The Task Force found that the expenses of the church are already close to what a church of our size can support, although we did identify certain line-items that could be constrained further. Careful expense management, together with growth in Pledge Income, will provide the needed investments for essential growth initiatives, especially in Staff, Evangelism, Intergenerational Worship and Christian Education. We have recommended significant new investments in these areas, which are likely to spur growth in young families and broaden our community outreach.

The 3-year forecast includes an increase in the annual pledge made to the Diocese in an effort to make progress towards the official direction provided by the Diocese. In 2018, we are currently contributing half of the percentage of Total Income that will be required of parishes by 2020. Fully meeting the requirement does not appear financially feasible to the Task Force at this time.

Today's value of the MET is approximately \$2.2 million (as of June 30). This is despite many large bequests from parishioners, nearly a decade of solid growth in the financial markets, and many years in our history when church income far exceeded \$1 million at today's value. The Task Force does not believe that the current balance is adequate for a church of our size, mission, and promise. The campus is likely to require significant capital investment over the next several years (preliminary estimate is approximately \$0.4 million). Running balanced operating budgets is the essential first step to building up more adequate endowment balances. We also recommend that the excellent work started on Planned Giving be renewed and that a Legacy Campaign be launched in 2021.

This is the Task Force's final report, delivered to the Vestry on September 18, 2018. It is the Task Force's recommendation that this report be made available to the parish in the very near-future so that the entire parish is well informed and able to discuss, improve, and support the strategies that are ultimately implemented to ensure our mission is fully funded and our spiritual vision fulfilled.

Introduction from Father Duncan

As I write, I have been privileged to be the Rector of St. Paul's for a few days short of one year. I am full of gratitude to God and the people of the parish for bringing me to this place of rich history and burgeoning potential.

God has been at work in us for well over a century and has a future for us that we can barely even imagine. Yet, we cannot turn the clock back to earlier times or pretend that by merely doing what we have always done we will somehow have a grand future. Our town has been transformed, and our culture has undergone seismic shifts since the heady days when St. Paul's enjoyed over one thousand worshipers on an average Sunday. There is no going back to those days, as if we could undo the technological revolution that has given everyone a limitless source of entertainment and information in the palms of their hands – their smartphones. Neither can we pray hard and hope that somehow the secularization of the Western world will be reversed, and Sunday will again be a day of rest and worship.

No, the future is amazing, but it will take imagination, faith, and sacrifice to achieve it. It will also require a leaner, more focused parish to tackle difficult realities, not least the financial ones.

Background and Historical Factors

The Task Force considered certain historical factors and trends to place our current circumstances in context. The two charts in the Appendix summarize the attendance history at St. Paul's. The following points serve as commentary.

The 1950s were years of dramatic growth for four reasons – a new building (1953), a new rector (Fr. Hardman in 1957), further building additions (1960) and seismic social change. These included post-war optimism manifested in the Baby Boom, Sunday's were still considered sacred, the end of the Korean War, rising prosperity, new cultural forms and creativity (rock 'n roll, 'teenagers', TVs in many homes, and new leisure and travel opportunities). Add all this together, and church growth is inevitable. Attendance rose by more than 800 parishioners over a 13-year period (a 300% increase).

Surprisingly, there was no plateau when attendance reached its peak. The decline was nearly as rapid and sudden as the growth had been. St. Paul's experienced a decline of more than 750 people over the next 18 years (70% decline). This was extraordinary and, to our knowledge, occurred without a split or scandal. By 1990, almost forty years later, attendance had returned to the level of 1950.

1993 saw a new rector (Fr. Roger Ard) and a spike in attendance, but then decline returned. Father Andrew Hamersley arrived in 2000. This, coupled with the societal crisis caused by the 9/11 attacks, resulted in a big short-term increase in attendance, but this ended and was followed by steady decline.

While the demographic and societal trends outlined above are important contributing factors to what brought us here, they are not the only ones. Mainstream religion is losing ground to Evangelical churches, as exemplified by the "mega-churches" popular in the South. But the appeal of these churches is not limited to other regions of the country.

Here in New Jersey, there are at least two fast-growing churches that have started in the last ten years: Liquid Church and Oasis. These are non-denominational, Bible-based, contemporary congregations. They leverage sophisticated websites and online marketing and offer "come-as-you-are" services featuring contemporary music. What can we learn from their approach? Mainline churches cannot remake ourselves in their image, but their experience may have lessons for us.

A Vision for St Paul's

In some ways, the Task Force feels poorly equipped to write about a vision for St. Paul's. Church development experts say that before grasping a clear understanding of a parish's mission the leadership must be present and fully engaged for three years – or more. The leadership must learn the story, culture, and context of the congregation. It must also understand those of the surrounding locality and tentatively identify how the story of the parish can intersect with the story of the neighborhood. Patient observation and listening are essential.

Yet, while the new leadership team absorbs itself in the story of the parish and discerns a vision for the future, God has blessed the parish with a great gift to excite and occupy us in the meantime: the 125th anniversary of St Paul's.

2018-2019: "S⁺P 125"

The goal is to have 15 months of themed celebration "S⁺P 125", beginning with the 2018 Stewardship Campaign in October 2018 and ending with Christmas 2019. The 2018 Stewardship Campaign will be launched under the title: Storied Past... Sacred Present... Sublime Prospects. For the 12 months that follow the campaign and throughout 2019, there will be events focusing on the five purposes of the Christian Church:

- Worship - Sacrifice Prayerfully
- Outreach - Serve Productively
- Evangelism - Share Passionately
- Fellowship - Socialize Profoundly
- Formation - Seek Purposefully

125 years of sacrificing prayerfully, serving productively, sharing passionately, etc. Each committee and team responsible for these ministries will be tasked with leading one major event or act of mission or ministry in 2019 to celebrate S⁺P 125. A separate publicity arm will provide administrative support. The goals of S⁺P 125 are to:

- Galvanize our new energy (new Rector, Deacon, Music and School Directors)
- Celebrate our past
- Restate our identity
- Imagine our future
- Proclaim the Good News of Christ in Westfield

2020: "20:20 Vision"

This will be Father Duncan's third year in the parish, and the second year for Father John Francis and Mark Hyczko, the Director of Music. It will be a year of developing a new vision and harnessing energy. In particular, Father John Francis will be entering fully into his role of "Missional Engagement", perhaps exploring new worship and spirituality opportunities and connections. If our sustaining long-term vision is to be intergenerational in nature, then in

collaboration with Kim L'Hommedieu and the Director of Music, Father Duncan may be exploring regular (perhaps weekly) intergenerational worship services this year.

In this year, we will aim to have achieved a solid and lasting breakthrough in forming sound stewardship practices across the parish, so that financial stability will be permanent.

2021

By this time, our longer-term vision for St Paul's should be fully hatched, with an accompanying Mission Statement, expressing where we are going in a short, directive, and memorable way. It should provide clear direction for the Vestry in how we use money and other resources. In 2021, we will have a Legacy Campaign, educating and inviting everyone to think about leaving St. Paul's a legacy in their wills. It is possible that this year Father John Francis will move to his next call, and we will make decisions about the ministries he has begun, moving them into the next stage of their life and development.

Consolidated View of the Future with the Day School: One Parish, Two Wings

St. Paul's is blessed to have a vibrant and active Day School that serves its educational mission and is a pool of potential new members and a source of financial revenue. The Task Force has developed recommendations to help the church use this resource wisely. To fully understand our recommendations, it is important to summarize the history of the Day School / Church relationship.

History

The Day School was initiated as a ministry of St. Paul's Church. The School Bylaws state this clearly, and it is spelled out in the opening chapters of the Handbook for Parents. The Day School Board exercises governance over school life and is accountable to the Rector and Vestry. Its members are elected at the Annual Meeting of Parishioners. The Director of the Day School is managed directly by the Rector and serves at his or her pleasure.

Yet, despite this excellent original vision of close partnership, the relationship has fluctuated over the decades, and has relied upon both ends of the campus setting unity as a priority. There were times in the distant past when the Church and Day School operated with little sense of cohesion, but effective semi-independence. This, over time, led to a twin track approach to much of the financial and decision-making lives of the two wings of the parish. For example, there was no vision of cost sharing, and Day School profits were retained by the Day School.

In more recent years, Fr. Andrew and Rosemary Lombard made a strong and concerted attempt to bring the Church and Day School closer towards the original vision. Under their leadership in the early 2000s, the principle of cost reimbursements was established. This sought to honor the principle that the two wings of the parish shared the same space and other resources, and in the light of this, the Day School passed money to the Church to offset the Church's utility and other bills. The sums were based on a complex formula. Each year, the remainder of the Day School profit was deposited in a restricted fund in the MET which could only be used for capital spending on Day School-related projects, typically building works on the parts of the campus used by the Day School. This practice was enshrined in the Day School Bylaws in 2005.

Proposal

This was a welcome step in the right direction. However, it was only a beginning and left in place an unfortunate premise – that the Day School in some way owes the Church for using its space, as if the two were separate entities with a 'landlord-tenant' style of relationship. The time now seems right to correct this and return to the original vision of one parish, with two wings. This opportunity exists because of the strides taken by the Board Chair, to create a cohesive sense of unity on the Board, eliminating any final trace of a 'them' and 'us' mentality. The vigor brought to the position of Director by Kim L'Hommedieu has also been crucial in arriving at this point of new beginnings.

Consequently, the Rector detects a growing endorsement that if there is one parish – Church and Day School – then the language of reimbursements is not appropriate.

The Fruit of Returning to Original Vision

The benefits of this vision are clear at both ends of the campus, for example:

- Hands-on involvement by the Rector and other Church ministers in Day School
- Greater flow of administrative and technological resources between the two wings
- Joint ventures in outreach and worship
- Spiritual and other training and support for Day School parents, e.g. resources for praying with children, thereby growing parents' identity with and commitment to the Day School;
- Elimination of the time-consuming and complex reimbursement formula.

The Rector has received no opposition from the School, the Board, or the Vestry as he has informally floated the idea of ending the concept of reimbursements and revising the Day School Bylaws to remove the related sections. Given this, this Task Force proposes that the Vestry makes this change at the earliest convenience, re-writing the Day School Bylaws in the early autumn to reflect the legal and moral reality – that the profit from the Day School is the real property of the Vestry and can be used by it for whatever purpose it deems fit.

However, it must be stated clearly and repeatedly, that this will result in no change to the financial and accommodation security of the Day School. Indeed, on a practical level no one will even notice the change. The Vestry will continue to have an absolute legal and moral obligation to care for and maintain the parts of the building used by the Day School and adequately fund improvements and important major capital expenditures from the MET. Just because this will no longer be required by a clause in the Day School Bylaws does not mean that it will cease to happen. The Vestry remains highly motivated to ensure that the parts of the campus used by the Day School are safe, attractive, and pleasant. As an example, the parish's Capital Needs Committee has highlighted the replacement of the windows in the rooms used by the School as an important building project for 2019.

Capital Needs of Campus: Current Assessment

Capital needs must factor into any recommendations made regarding the financial health of our parish. Just as we plan for major expenses in our physical homes, we must also plan for those needs in our spiritual homes. The Task Force asked the Capital Needs Committee to estimate anticipated capital expenses over the next three years so that our financial projections could be as accurate as possible.

The following assessment is directional, and these estimates require further analysis and refinement. The steeple project, although it is listed as a 2019 cost estimate, is the biggest variable on the list. The Task Force believes it is imperative that the inspection of the steeple be expedited. It should be noted that, until an engineering inspection occurs, this is a preliminary estimate (it may also be possible that repairs will be minor).

2018 (estimated \$37k)

- Steeple inspection: \$1.5k
- Cloister roof: coping, flat roof, and interior repairs \$15k
- Church exterior door restorations (4): \$12k
- Front walkways and steps: repointing and power washing \$6k
- HVAC maintenance: \$5k
- Slate roof inspection and repairs: \$4k
- Replacement wall hung mailbox at side entry with proper floor mounted pedestal: \$3k
- Replacement and repairs to step lighting: \$1.5k

2019 (estimated \$185k-\$225k)

- Possible steeple restoration project: \$40k-60k (depending on report recommendations)
- Classroom window replacements, plus interior re-construction (23 units): \$115k-130K
- Parish Hall exterior painting: \$15-20K
- Driveway crack repair and seal coat: \$5k
- Planting maintenance and replacement of dead evergreens along driveway: \$3k
- Parish Hall steps at St Paul's street (phase 2, steps at entry portico): \$5k-6k
- Fence repair at adjacent YMCA: \$2k
- Inspection and proposal for AC system overhaul in front office area (oldest system): \$1k

2020 (estimated \$100-\$135k)

- Guild Hall / Sexton's apt windows, interior window reconstruction (14 units): \$70k -90k
- Hung ceiling replacement (front hall and office), conceal wires, new lighting: \$17k-27k
- A/C system replacement at front offices: \$8-12k
- Church building power wash and pointing: \$6k

2021 (estimated \$140k)

- Garage at entry driveway: remove and replace \$60k
- Parish Hall / Classroom courtyard restoration: \$40k
- Rectory Garage: \$25k
- Rectory driveway, excavation and replacement: \$8k
- Rectory painting exterior: \$7k

3-Year Financial Forecast

The Task Force has constructed a financial plan out to 2021 to help the parish allocate and focus resources (see Table 1). You will see that this financial model is forecasting a balanced operating budget (Net Income) in each year.

Within Revenues, the biggest line item is Pledge Income, which represent almost three quarters of our inflows. We have assumed an annual increase of 12.5% for 2019 consistent with the goal articulated by Father Duncan to recognize our 125th anniversary. Thereafter, we have assumed growth at 3% in 2020 and 5% in 2021 as new members join the parish. Funding the mission within a balanced budget will require that the parish increases its Pledges.

The second big income item is the Day School Surplus, which is shown net of all associated operating expenses (such as the share of administrative salaries and utilities). For the 2018-19 school year, we expect a Day School surplus approximately \$40k. School enrollment can fluctuate for many reasons, including factors beyond our control such as the recent birth rate. We have therefore assumed that in subsequent years the Day School's surplus returns to its historic average, although there are reasons to believe that it may be better than this.

Under these assumptions, we estimate that approximately \$635,000 in Pledge Income is needed to stay in balance (in years when the Day School is contributing its historical average of approximately \$50,000). Pledge Income was \$550,000 in 2018.

Past practice was for the Day School surplus to flow to our endowment (the MET) which in turn provided operating support to the church. In effect, the Day School funded part of our operating deficit. Going forward, we have included the Day School surplus in the church's income, bypassing the MET.

There are currently no other meaningful revenue sources for St. Paul's. We recommend looking into the feasibility of earning rental income from Hamersley Hall, but for the foreseeable future Pledge Income augmented by the Day School surplus will represent almost all our revenues.

Within Expenses, Salaries take up 40% of the total. Most of the expenses, including Salaries, offer little opportunity for cuts. We have assumed significant increases in Evangelism, Intergenerational Worship, and Christian Education to provide the resources and infrastructure necessary to fund these initiatives, increase spiritual formation, and attract more young families. The Diocesan Pledge is projected to rise over the next three years in order to make progress to the Diocese required contribution of 16% of Total Income within three years. St. Paul's is contributing approximately 7.5% of Total Income in 2018.

The Capital Needs of our campus is our best estimate of such expenses, and this has been built into the financial model. We are expecting to rely on the MET only for Capital Needs not covered by operating income, and not for regular operating support, which is a positive step in securing St. Paul's financial future. We assume that up to \$375k from the MET will be needed to fund capital improvements over the next three years.

Like all financial models, this one is only as good as the assumptions underlying it. We believe these are fair but not overly conservative. We must now all grapple with the financial challenge we are projecting and decide how to match our resources with our obligations.

Table 1

Funding the Mission Task Force						
Income/ Expense Projections 2019-2021						
<i>(2018 Budget figures as approved; out-year figures rounded to nearest \$100)</i>						
INCOME	2018 Budget	Growth \$/%	2019 Budget	2020 Budget	2021 Budget	Comments
Pledge Income	\$ 550,060	12.5% in '19	\$ 618,800	\$ 637,364	\$ 669,232	12.5% in 2019; 3.0-5.0% in 2020-21 w/ new members
Regular Income	35,780	2%	36,500	37,200	37,900	Non-pledged income; loose-plate income
Special Offerings	17,800	2%	18,200	18,600	19,000	Easter/Christmas special offerings
Fundraisers	4,030	2%	4,100	4,200	4,300	Assumes grocery-card restart; no large fundraiser
Other Income	-	\$ 2,000	2,000	4,000	6,000	Increased facilities use
Income	\$ 607,670		\$ 679,600	\$ 701,364	\$ 736,432	
Day School Surplus	40,578	2%	45,500	48,200	49,200	Reversion to historical mean in 2020-21
Total Income	\$ 648,248		\$ 725,100	\$ 749,564	\$ 785,632	
EXPENSES						
Salaries	\$ 284,900	3%	\$ 288,800	\$ 297,500	\$ 306,400	Adjusted 2019 etc. for full-year Assistant
Professional Allowances	7,020	3%	9,800	10,100	10,400	" "
Professional Expenses	2,440	3%	2,500	2,600	2,700	" "
Music	\$ 32,600	2%	\$ 33,300	\$ 34,000	\$ 34,700	
Evangelism	4,080	75%	7,100	12,400	21,700	Increased investment
Parish Life	4,440	2%	4,500	4,600	4,700	
Intergenerational Worship	-	New	3,000	7,000	11,000	Increased investment
Christian Education	-	New	3,000	7,000	11,000	Increased investment
Worship	2,760	2%	2,800	2,900	3,000	
Outreach: Diocesan Pledge	\$ 55,200		\$ 65,157	\$ 72,972	\$ 84,916	% of trailing 3-Yr Total Income. See Memorandum
Outreach: Other	5,520	5%	5,800	6,100	6,400	
Insurance	\$ 73,290	5%	\$ 68,100	\$ 71,500	\$ 75,100	
Pensions & Annuities	65,770	3%	71,000	73,100	75,300	
Utilities	63,040	2%	53,000	54,100	55,200	
Administrative	49,210	-2%	48,200	47,200	46,300	Ongoing steps to maintain cost controls
Buildings and Grounds Repairs	21,900	-2%	21,500	21,100	20,700	
TOTAL EXPENSES	\$ 672,170		\$ 687,557	\$ 724,172	\$ 769,516	
NET INCOME	\$ (23,922)		\$ 37,543	\$ 25,392	\$ 16,116	Balanced Operating Budget in 2019-2021 Period
Capital Needs of Campus	\$ 37,000		\$ 200,000	\$ 115,000	\$ 140,000	Prelim. "Capital Needs Committee" Assessment
TOTAL FUNDING REQUIRED	\$ (60,922)		\$ (162,457)	\$ (89,608)	\$ (123,884)	Up to \$375k Funding Need over 3 Years; from MET
<i>Memorandum</i>						
Diocesan Pledge % Total Inc (3-Yr Rolling Income Avg.)	7.5%		10%	11%	12%	

Strategies for Greater Outreach in Our Community and Growth in Young Families

At this moment in time, St. Paul's is well positioned to capitalize on the work already done by the Vestry and to use the arrival of Father Duncan, Kim L'Hommedieu, the Rev. John Francis Maher, and Mark Hyczko to revitalize our parish community and grow our membership by increasing our community outreach. The Task Force developed several strategies for bringing in new members, broadening our base of support. It is our recommendation that St. Paul's substantially increase its community outreach and evangelism efforts.

Strategies to further that goal include:

- **Develop even closer ties with the St. Paul's Day School families**, especially non-members. Ideas for implementing this could include inviting Day School families to special Sundays where the students sing with the primary choir, inviting our Day School families to the hot chocolate and ice cream Sundays, and having a special graduation Sunday service for the kindergarten families. The church should make sure that all Day School families receive a mailing with the service times for Easter and Christmas.
- **Offer and promote family friendly services.** Offer a Sunday service once a month where children come into church and participate in the service in some way instead of attending Sunday School. Perhaps offer a Saturday or Sunday evening service once or twice a month as many younger families have indicated that the 10:00 a.m. service is difficult to join and the 7:45 a.m. service is too early for those with young children.
- **Build up the youth group and Sunday school program.** Keep our youth and teens engaged in our community. Many families seem to drift away from the church as their children age, and we want to instead keep those families as active members.
- **Significantly raise public awareness of St. Paul's across media channels.** This includes PR through local newspapers, posts on Facebook, etc. We should aim to have an article each month in the Westfield Leader, and we should promote our outreach and community activities so that potential members are aware of how we contribute to the greater community in need, not only our outstanding music and spiritual offerings.
- **Create a church video.** This could be used on our website, Facebook, and at street fairs. Highlight the beauty of our church and music, as well as feature short clips from interviews with parish members about what St. Paul's means to them, our outreach programs, our community building activities, etc. This might be a great place to involve our teens. They would have a concrete and fun activity while also getting exposed to all of the wonderful and meaningful aspects about our church. A resource guide to be used to structure the video is: <http://episcopalvideomini.wixsite.com/theguide/the-guide>
- **Invite other groups to participate in outreach activities**, such as Grace's Kitchen and Mission Kitchen Sundays, as a few Girl Scout troops in town already do. We could also promote our monthly donation drives outside the church community, not only increasing our

outreach capacity, but also introducing potential new members to our community in a rewarding and meaningful way.

- **Send a mailing out to new residents** once or twice a year (perhaps to coincide with Easter and Christmas services) with a postcard listing service times.
- **Continue the strong progress in revitalizing our welcome process to new members.** Once they walk in the church doors, we want people to feel welcome, and be excited about returning and participating in the community. Perhaps ask interested current parishioners to volunteer as a “host” for a new member or family and try to pair up new and old members based on family composition, location, and interests. Offer more dedicated newcomer’s events throughout the year such as the newcomer’s Sunday.
- **Host more community events**, such as our choral concerts, that would be of interest to both church and non-church members. Ideas include: an evening of caroling with hot chocolate in the parish hall afterwards or a series of community programs and talks, perhaps led by some of the many experts we already have in our church community, on a range of topics (such as tax/estate planning, parenting, time management, and interfaith marriage, etc.)
- **Use the parish hall to host community events** such as a local artists showcase, health screenings, or a gathering place for community organizations. Have brochures and information about the parish available for people to take if interested.
- **Offer Alpha and Inquirer’s courses** and promote them both inside and outside the parish so that anyone thinking about spirituality and our community can come and learn more.
- **Host “Bring a Friend Sundays”** where members are encouraged to bring friends. Research shows that 85% of newcomers come to worship because someone invited them. We can hold a short informational / Q&A session after coffee hour to highlight our church and programs.
- Develop **live and recorded streaming** of weekly services.
- Finalize the **modernization of the Parish website and digital communications** and increase **social media presence**.

Recommendations

The Task Force makes these recommendations to the Rector and the Vestry:

- Report: that this report be made available to the parish in its entirety.
- 3-Year plan: that the Finance Committee maintains a rolling 3-year financial plan that is updated each September. The initial version (enclosed) includes several recommendations to focus our investment on those activities, staff, and infrastructure that are linked to outreach and ministries that can help to increase attendance and membership. All other discretionary expenses should be targeted for minimal growth.
- Stewardship: that households be encouraged to consider at least a 12.5 percent increase in 2019 (consistent with the SP 125 anniversary) in order to enable the church to balance its budget while funding its mission. Some households may very well be able to increase their pledge by substantially more than this.

The Church is undergoing a major demographic shift, including from a few large contributors to a broader base of support. At the same time, based on research, it normally takes several years before new members begin to pledge. The Stewardship Committee should set an aspirational goal to attract 40-50 new pledging members within the next three years.

- Strategies for Greater Outreach to Community and Growth in Young Families: that the Children's Formation and Evangelism Committees prioritize the list of recommendations in this report and, by December 31, develop an action plan for implementing the top priorities.
- Capabilities: that the parish acknowledges that the current IT systems and methods of communicating with the parish and the community are outdated, time consuming, and difficult to scale. We need a modern, digital infrastructure to grow the parish.

A new website is being developed and should be completed by December 2018, but additional systems are urgently needed (i.e., to communicate digitally beyond email, to facilitate digital pledge payments, etc.) and sufficient administrative staff-hours are required to create and organize compelling content. Father John Francis will lead the work to develop a weekly social media posting for dissemination to the parish and beyond.

The Vestry should assess progress by December 31 to build out our Capabilities and, with Father Duncan, develop an action plan for 2019.

- Other Income: that the Vestry examine the use of the church as a wedding venue and Hamersley Hall as rental space to increase income. The sense of the Task Force was that these attractive spaces are significantly underutilized.
- Other Support: that the national church, including the Episcopal Church Foundation, and Trinity Church Wall Street be contacted for missional grants.

- Diocese: that greater awareness be built up within St. Paul's of specifically how our parish can benefit more from Diocesan support (conferences, seminars and programs for clergy and lay people on subjects such as church growth, stewardship, Christian education, marketing, and technology; youth activities such as Mission Trips, outreach projects, choir camp, and acolyte festivals, etc.).
- St. Paul's Day School: that the Vestry re-writes the Day School Bylaws in the Fall 2018 to reflect the legal and moral reality – that the profit from the Day School is the real property of the Vestry and can be used by it for the purposes the Vestry deems fit.
- Financial target: that the Vestry establish a financial management policy that the church should target a balanced operating budget.
- Operating expenses: that an energy use audit of the parish be conducted both to save funds and position the parish as a responsible steward of natural and energy resources.
- Insurance: that the Vestry commission a formal assessment of all St. Paul's insurance policies, including those related to the Day school, to ensure their adequacy. This is a follow-up to the Vestry's initial evaluation in 2018.
- Capital Needs: that the Capital Needs Committee continue to refine the 3-year assessment, including with inspections and estimates for any repairs needed to the building and steeple.
- Endowment: that a Legacy campaign, within the context of an "End of Life" planning series, be launched in 2021 to establish a more adequate endowment for a Church of our size.

Conclusions

St. Paul's has missed opportunities in recent decades to take the steps necessary to reverse our decline. Yet, more recently, we have taken decisive steps to make a fresh start. This must continue now that the right staff team is in place under Father Duncan's leadership. We encourage the Vestry and call on the parish to act boldly and provide the necessary resources and support to capitalize on the new start that the parish is embracing, create a more outward-looking, mission-minded parish, and fulfill our spiritual vision.

Report Submitted

Father Duncan, Barbie Bach, Caroline Ellison, Geoff Dunham, Simon Lack, Richard Sharpless, and Alec Reynolds

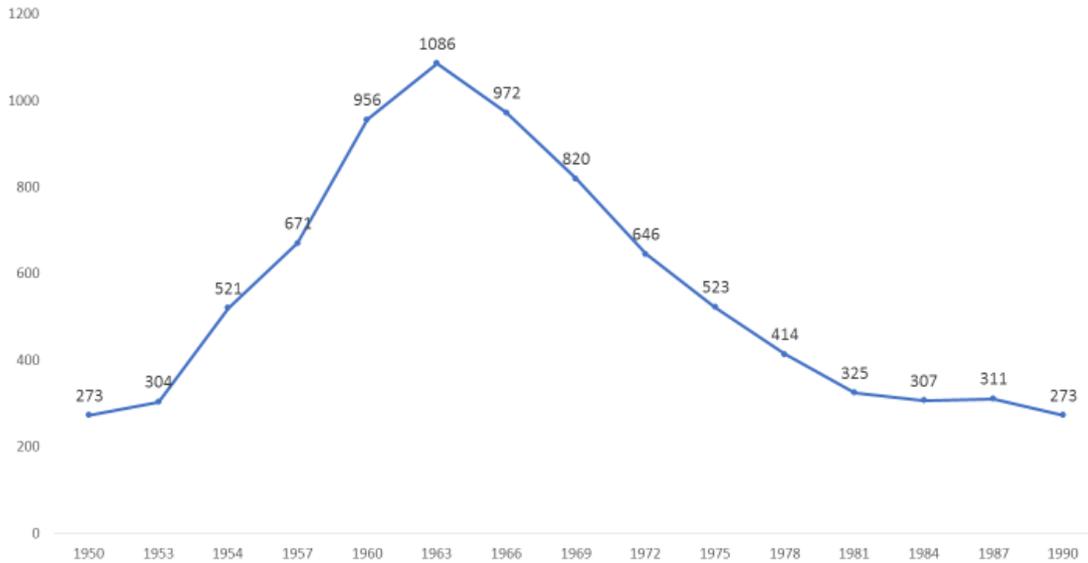
September 18, 2018

Correction to School Surplus Estimates

Made October 13, 2018

Appendix

St Paul's Attendance 1950-1990



St Paul's Attendance 1993-2017



St. Paul's Church 2018 Annual Meeting Report on Stewardship

We developed and carried out a stewardship campaign that will support the church's ministries this year. We are grateful for your support, the faith you placed in us, and the reception, energy, and stepped up commitment that we have seen. The church is undergoing a transition in many aspects, including in its finances. We are well aware of these realities and believe we took steps this year to help manage this transition in a way that will fund our ministries and the exciting future under Father Duncan.

To put things in perspective, in 2017, total pledge income was \$588,000 from 178 families. It is important to bear in mind that more than \$35,000 of this was committed by parishioners who have since passed away or had a major life event. This adjusted amount is our new baseline. We presented our strategic plan to the Vestry in July, improved it in August and September, and put it into action in October. Our work is ongoing in order to finish the campaign this month.

I am immensely grateful to Father Duncan and the Committee - Meg Smith, Steve Kircher, Abby Wolitzer, Geoff Dunham, Rob Hostler, Craig Coolidge and Aldo Scrofani - for your energy, spirit, creativity and efforts. It is a terrific team. When you see them next, please thank them.

We worked hard to communicate more effectively with the parish. Thanks to Nancy Boss, we have a logo that beautifully captures *God's Abounding Love*. I think we were all touched by the personal, open, and memorable stories from Barbie Bach, Gwen Howard, and Steve Kircher.

We tried to find new ways to connect with the parish. Special thanks go to Abby and Neil Wolitzer and Nancy and Rob Hostler for hosting nearly 100 of us for the *Neighborhood Gatherings*. These were special opportunities to hear and discuss Father Duncan's vision.

We asked some of you to serve as *Ambassadors* and reach out to nearly 60 families who have been out of touch. Thank you, Michael Kane, Eric Sarrazin, Runi Sriwardena, Kate Rodgers, Kami Carulli, and Llewellyn Jones, for answering our call and having the courage to step up.

Going forward, supporting the fixed expenses and Church ministries will require a combination of increased pledges from families, constant pledging from others, and additional new members. We asked you to consider a 10% increase. So far, of those who have pledged, 43% of families increased their pledge and another 48% contributed an equal amount over 2017. 9 new families pledged for 2018. This is all encouraging. Overall, the average pledge was \$3,500. A major goal in the next 1-3 years is better balance across families. This will be one of the elements of the financial health assessment described in the Rector's report that will start by March.

We project to finish the campaign between \$540-560,000. The amount committed so far is more than \$525,000. We have been following up with some families since early December and will be finishing this outreach very soon. We would like to thank Arlett and Lora for their support through the campaign and would like to thank you for the opportunity to faithfully serve you.

We are excited for the year ahead.

Alec Reynolds
Chair, Stewardship Campaign
January 25, 2018