

## **Facilities and Finances**

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### **1. Utilization of Rooms & Spaces**

- Many locations and aspects of the church space are at near full utilization.
- Several locations (rectors office and parish office) are at 100% and could not be used for other purposes.
- Much of the first floor utilization is driven by Trinity Day School needs.
- The church itself gets significant usage for choir and organ practice, beyond worship.

#### ***Implications:***

- While space does exist for other activities, scheduling may be a challenge.
- Trinity may not be seeing the benefit of TDS, either in rent or bringing individuals to Trinity.
- We will need to weigh/assess the needs of future 'vision' activities and space requirements; it is unclear whether we will have sufficient space until we know the needs.
- The parking lot is used >100% during Sunday services, and could become a factor in future planning.

### **2. Physical Improvements and Repairs**

- A major restoration, on average for a building of this type, occurs approximately every 30 years. Many of these restorations occurred in the past at Trinity.
- In 2013 we spent \$39,000 on repairs and in 2014 \$153,900. The "critical repairs" that need to be completed in 2015 would total \$138,950.
- There seems to be a rolling push of \$150,000 per year of projects that should be done but that are passed over.
- Work that is scheduled / would need to be completed over the next 10 years totals over \$500,000.
- We stopped funding the capital reserve many years ago (portion of endowment withdrawals went into Capital Reserve account, as we began to hit budget issues. Beyond budget, we have funded all capital items from the rent received from the curate house (last 2 years), and withdrawals from endowments.

#### ***Implications:***

- There is, in theory, a Major Restoration project that would need to take place on or around 2025.
- A major consideration is that many of the projects we choose to "put off" will increase the cost of those projects, whether it is the time value of money or a repair becoming a replacement.
- Another Capital campaign will be necessary to either complete outstanding and future projects unless we continue to use money from the endowment.

- Some of the items on the “Grand List” could be reviewed line by line to determine “do we really need this?” For example, landscape redesign plan of the property for \$5,000 planned for 2015 may be not a “need”.
- We should again revisit plans and approach for the housing property we own.

### **3. Church Income and Expense Summary**

- Trinity is and has been an annual \$750-800K church budget.
- Pledges increased steadily from 2005 to 2009, but have been relatively flat from 2009 to 2015 at +-\$450K/yr.
- Investment income was decreasing steadily until 2012. In 2012 we changed Endowment withdrawal increasing total amount (5% of actual versus total return).
- Parish Ministry and Outreach have steadily decreased (note – 2015 decrease partially due to change in diocesan pledge calculation). Property expenses have decreased due to significant cost savings efforts and partially to delay of maintenance.
- Lay staff has increased the last several years as we have gotten to near full lay staff levels. We are still not at target.
- Clergy staffing has been relatively flat, however we have seen increases/decreases with movement between 1 and 2 clergy.
- Borrowing has occurred for 9 out of the last 11 years. Cumulative borrowing during this period of \$600K translates into +-\$30K of annual endowment income. Included in the borrowing is app \$100K unfunded debts to ourselves in the Holding Accounts.
- We have had budget reduction actions (some significant) annually to close the majority of the gap to income.

#### ***Implications:***

- Pledge income has been flat and has potential risk of reductions. It is very dependent on several large donors.
- We are borrowing, and not returning, from endowments – net, we are seeing erosion of the endowment income, and more significant erosion of endowment income on a inflation adjusted basis.
- Parish Ministry and outreach are at lowest levels in last 11 years by significant amounts.
- What we might view as ‘fixed costs’ (property, lay and clergy staff, office) continue to increase in aggregate – net our gap will continue to increase unless income can outpace expenses.

### **4. Giving Unit Summary**

- Several individuals/families pledge significant amounts ( $\geq$ \$10,000/yr) to Trinity.
- The average pledge is app \$3,000/yr (\$58/wk); the largest number of pledges (>50 or 1/3) pledge \$1,000-\$2,000/yr (\$20-40/wk).
- There are 34 individuals/families with envelop numbers, who give, but do not pledge.
- There is no visible correlation between age and pledge gift.

- The majority of pledges are from individuals/families over 40. There are no pledgers under 30 (ex-youth).
- There are a significant number of pledges from individuals/families over 70.

***Implications:***

- Changes by the significant givers, either year to year or within a year, could cause significant budget issues. We need to consider asking these pledgers to make a multiple year pledge commitment to dampen potential changes and provide needed time should there be changes.
- We are not appealing (Newtown and/or Trinity) to 20-40 year olds and are not seeing pledges or contributions from the age group.
- Trinity is at risk of the 'my kids are grown and I am moving from Newtown' group – there are +-25% over 70, and +-40% over 60, which could lead to an decrease of pledgers and parishioners if not replaced by new families.
- We have seen +-95% of pledges delivered for adults. We are seeing <50% of pledge met for youth, while having 35 youth pledges. We need to assess why we are seeing less than 100%, and decide what, if any, action to take, beyond statements and occasional calls to significant donors who are behind.
- We have >50% of our pledge units essentially right at pledge commitment. The majority of this is due to EFT. We need to continue to use EFT, and potentially find other ways of meeting pledge (within our principles) like cell phone transfers.