



November 13, 2022

10:30 a.m. Bilingual Worship Service and Annual Meeting



Agenda:

Budget Discussion; Vestry Configuration 2023
Evangelism; Worship and COVID;
Calendar



Blessed Lord, who caused all holy Scriptures to be written for our learning: Grant us so to hear them, read, mark, learn, and inwardly digest them, that we may embrace and ever hold fast the blessed hope of everlasting life, which you have given us in our Savior Jesus Christ; who lives and reigns with you and the Holy Spirit, one God, for ever and ever. Amen.

Dear friends in Christ,

May the grace and peace of God be with you always! Last week during our All-Saints' Worship Service we had a baptism; the first baptism since before the pandemic. It was a great celebration and felt like one of the last pieces for "coming back to the new normal" fell into place. We are back to a familiar worship and programmatic rhythm, and it feels good.

Although we continue to live in a time of pandemic (plus flu and RSV) and continued financial challenges, we have managed to get a lot done in 2022. The façade project was completed, backflow prevention (a city mandate) was completed; one of our tenants installed a new floor surface for the gym. The facility is cared for on a regular basis and we are up to date on all our bills. There are projects that fall through the cracks, given how dynamic the day-to-day operations are, but we are working hard to keep the facility in the best shape possible. We also bought new chairs for the Parish Hall and we celebrated the centennial anniversary of the merger between St. Matthew and Zion and St. Timothy in 1922. Although we ended the Soup Kitchen season with meals ToGo (in June), we are having a very successful season since October with sit-down meals. We've also had fun this year including serving in the Meal Program and Angels; BBQ/Picnics in June, July, and September; joyous coffee hours; a harbor cruise; bingo; the centennial celebration; community concerts and music, and more.

I am optimistic about our congregation's future and the finances of the church. We have been blessed and I trust we will continue to be a blessing to the community and for all those we encounter along the way. Following is our presentation of the 2023 Budget, as preliminarily approved by the vestry on October 30, 2022. Below is also a presentation on the vestry composition, worship the next few weeks and months, as well as some opportunities we are currently working on.

Budget – A ~~three~~five-year journey.

In 2018, it became very clear that as attendance and giving were decreasing, that we were financially living beyond our means. The primary way this was reflected was in using the principal of the endowment to cover the deficit in the budget, regardless of whether it exceeded the responsible amount of 4.5 to 5%. In 2018, we projected a 3-year tightening of the budget, which required very intentional responsible use of our resources. Because of the time of Covid this 3-year journey has

turned into a five-year plan. Here is a summary of where we have been and where we expect to be in 2023.

2019 Budget

When preparing the 2019 budget some major changes were made from prior years:

- We decided to draw no more than 4.5% from the endowment principal for at least 3 years (we are entering the 5th year in that plan).

To achieve this: Mother Carla's time and cash compensation was reduced by 40%; we only paid \$5,000 of our apportioned share; we reduced expenses; we functioned without a full-time sexton. We invested in Evangelism and opening a new pre-school.

- This meant that comparing 2018 to 2019 income and expenses we reduced the budget by 14% (from 611K to 525K).

In 2019, many things happened that changed/shifted the budget. For example, the Finger-Painted Hands School left unexpectedly leaving a \$40,000 loss in income. We had unexpected building costs – façade (\$6,000+), cooling tower compliance (extra \$5,000), hot water heaters (\$5,000+). Lila retired and we had related staffing changes. For part of the year, we rented the basement office to a therapist - \$1,000/month. We transferred \$20,000 from the liquidity of the property on West 83rd St.; this helped for 6 months in 2019.

2020 Budget

In preparing for the 2020 budget, we adjusted even further

- The Approved 2020 Budget was under \$493,565, a further 6% reduction (or 19.3% since 2018). The budget included a complete change in staff configuration. The only full-time person is the Sexton. We decided not to pay our apportioned share. Envisioned increased West 83rd contribution by \$500/month to \$108,000/year; we assumed that both 3rd floor apartments were rented and looked to increase other rentals by \$10-15,000.

It will not surprise you to know that the 2020 budget did not go according to plan. Here are some examples of some positives and negatives:

- Positives:

We received a PPP Loan for about \$48,895; after the PPP loan, we reduced payroll; we reduced consumption of electricity, gas, and water; we did not run the Cooling Tower; we minimized expenses whenever possible; we received an unexpected refund from ConEd (from their own audit); we contributed \$5,000 to the diocese

- Negatives:

We had less income from pledges, rentals, and endowments; we did not rent the 3rd floor apartments

2021 Budget

With all of this, it should be no surprise that it was difficult to approve a budget for 2021. The budget was further reduced by another 8.5% (or 27% since 2018)

- The 2021 budget had the following assumptions and was at \$22,500 deficit:

No salary/wage increases, only health insurance adjustments; We could rent the 3rd floor apartments.; we could manage the cooling tower with more affordable contracts; We would not return to in-person programming until September 2021. We receive less money from the congregation. (\$34,000 instead of \$62,000). That we do not lose any more rental income. That we draw only a responsible amount from the endowments. (Only \$105,000).

- Actual (highlights)

We received a second PPP loan \$37,500. We did not turn on the cooling tower. We have received all the possible ConEd adjustments from the actual reading of meters. We have paid all our bills and caught up on many building projects. We have had full rentals, especially the gym. The 3rd floor apartments are now rented. Although the basement office is not. We reduced the contribution from West 83rd (this helps the building with their own increasing expenses.)

2022 Budget and Reality

The 2021 budget was about as lean a budget as we could carry. The 2022 budget is closer to the original 2020 budget.

- Income:

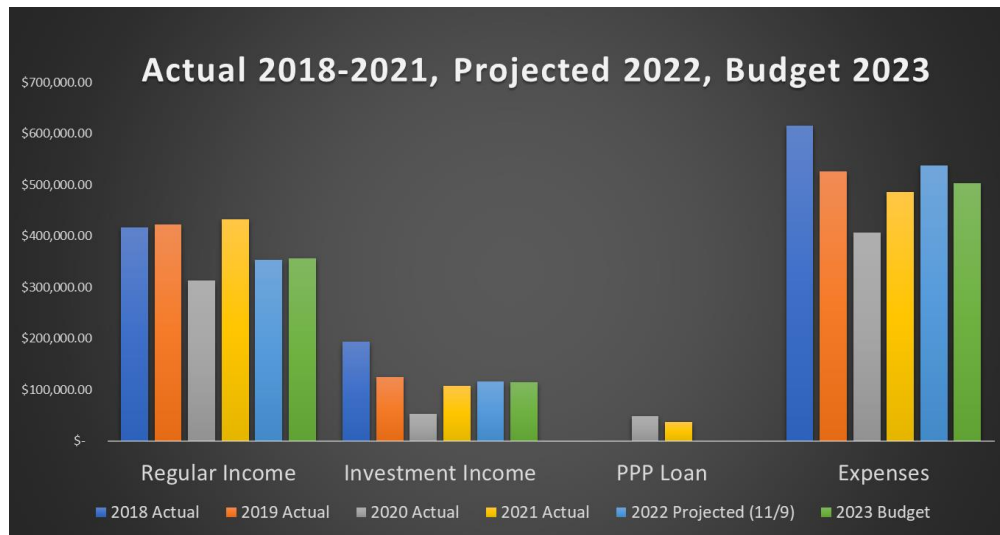
The 3rd floor apartments are rented. We have had success in renting the Gym long-term, and the CRS lease was renewed. Given the cash-flow challenges at the Housing Corporation – we received \$12,000 instead of \$84,000 (shortfall of \$72,000); we have tried to maximize “other rentals” so far, over \$35,000. Modest increase in investment income given the improved market conditions.

- Expenses:

COLA adjustments for hourly maintenance employees, Music Director, and rector (Mo. Carla now at 70% time and compensation). Payroll adjustments for Choir, Admin., Sexton, Evangelist positions. ConEd adjustments are ongoing. Increased expenses for Cooling Tower, HVAC, and Plumbing; 11K Apportioned Share; High-cost repairs, for example: Façade (\$22,565); Backflow Prevention (\$23K over 2 years -\$17K in 2022); new floor in gym foyer/cage and basement hallways and bathrooms (\$7,415); Church HVAC repair (\$5,200); new hot water heater east building (\$5K)

Here is a summary table on the income and expenses since 2018. The accompanying chart is a visual representation of the same numbers.

| | 2018 Budget | 2018 Actual | 2019 Budget | 2019 Actual | 2020 Budget | 2020 Actual | 2021 Budget | 2021 Actual | 2022 Budget | 2022 Projected (11/9) | 2023 Budget |
|-------------------|---------------|---------------|---------------|---------------|---------------|---------------|----------------|---------------|---------------|--------------------------|----------------|
| Regular Income | \$ 405,238.00 | \$ 416,326.00 | \$ 418,005.00 | \$ 422,287.00 | \$ 389,639.00 | \$ 313,860.00 | \$317,337.00 | \$ 432,647.00 | \$ 393,000.00 | \$ 353,035.00 | \$ 357,100.00 |
| Investment Income | \$ 197,924.00 | \$ 194,349.00 | \$ 105,000.00 | \$ 125,000.00 | \$ 105,000.00 | \$ 52,829.00 | \$105,000.00 | \$ 107,313.00 | \$ 112,300.00 | \$ 115,870.00 | \$ 115,000.00 |
| PPP Loan | | | | | | \$ 48,895.00 | | \$ 37,762.00 | | | |
| Expenses | \$ 611,882.00 | \$ 615,861.00 | \$ 525,527.00 | \$ 526,396.00 | \$ 493,565.00 | \$ 406,362.00 | \$452,500.00 | \$ 486,624.00 | \$ 488,426.00 | \$ 538,028.00 | \$ 504,000.00 |
| Net | \$ (8,720.00) | \$ (5,186.00) | \$ (2,522.00) | \$ 20,891.00 | \$ 1,074.00 | \$ 9,222.00 | \$ (30,163.00) | \$ 91,098.00 | \$ 16,874.00 | \$ (69,123.00) | \$ (31,900.00) |



In the last three years, as has always been true, we have been reminded (again and again!!!) that **ALL** pledges, regardless of amount, make a difference. We rely on them for paying bills and cash flow. If you are able to keep your pledge for 2022 please do so or make a contribution that matches your ability at this time. We need your contributions. The pledge card for 2023 is GREEN.

Looking to 2023

Projected Regular Income of \$357,000 + Investment income of \$115,000 – Total \$472,000

- \$40,000 from the congregation (11% of regular income/ 8.5% of all income)
- \$15,000 in grants (3.2% of total income)
- \$302,000 from building use, including \$48,000 from West 83rd Street (64% of all income)

Projected Expenses of \$504,000

- \$285,000 – Payroll and related costs (56.5% of the expenses) - 16-18 persons all working part-time (anywhere from 1-2 hrs. per month; 2-3 hrs. per week; to 25-28 hrs./week (about \$16,750/month).
 - \$195,000 Ministry (Clergy, Music, Seminarians); \$90,000 Facility
 - Mo. Carla at the Church 2 full days a week; remainder of hours other meetings and remote work. Music Director and Choir on Sundays and other worship occasions.
 - Maintenance: M-F 8 to 1; M-F 5-9; Sat. 9 to 5; Sun. noon to 5.
 - Admin: M-F noon to 5 p.m.
 - All hourly employees and salaried employees receive a COLA adjustment of 8.7%.
- \$55,000 – ConEdison: Gas and Electric (10.9%)
- \$48,000 – Building Insurance (9.5%)
- \$40,000 – Building routine maintenance and repairs (7.9%)
- \$22,000 – Diocesan Assessment (4.4%)
- \$54,000 – Everything else (copier, phone and internet, paper products, programs, postage, city water & sewer, etc.)

Deficit of \$32,000 – covered by available savings of \$80,000 and cost savings whenever possible and additional short-term and one-time rentals.

Vestry Configuration – The vestry needs members. Do you feel called to being part of the vestry?

Wardens: Carol Kornfield & Pam Soden
Jim Roberts, Dilma Lobo, Silvia Moreira
Tony Cooper, Carlos Mena, Nancy Ortiz
Marisol de la Cruz, _____, _____
Treasurer, Jim Roberts

Our life as worshiping community and in this neighborhood community.

2023 will be about *Honoring the Past—Embracing the Present—Sowing for the Future.* Honrando el pasado – abrazando el presente – sembrando para el futuro. We will put in renewed effort into our evangelism plan. Stayed tuned for ways to provide input and be involved in planting the seeds for the future of the church; all the while having fun and building community.

Coming up, we have:

- Church facilities closed on November 24-26 – Happy Thanksgiving!
- December 18: Christmas Decoration of the church after worship.
- December 24: Bilingual Christmas Eve Service at 5 p.m.
 - Limited church office hours from 12/26 through 1/2 (regular hours resume on Jan. 3rd) – Facility completely closed on Dec. 24 and Dec. 31.
- Christmas/Epiphany Pageant
- January 22: St. Timothy’s Day

Stay tuned for other Sunday celebrations and special events including:

- Winter Community Gathering
 - God’s Freedom Evensong for Black History Month.
 - Opportunities of baptism: January 8th, Easter Vigil, and Pentecost.
 - Ash Wednesday on February 22nd.
 - Lenten Retreat – TBD.
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Updated COVID expectations at SMST (reaffirmed on 10/30/2022 at the vestry meeting)

Masks are required in the sanctuary for worship.

Masks are required for volunteers cooking and serving at the Sunday Meals Program.

Masks are encouraged in all indoor public areas of the church facility.

Masks are expected for staff working in close proximity to other people.

We support the use of masks by anyone who chooses to use them, even when not required.

Vaccinations and new boosters are highly encouraged.

If you get sick and test positive, speak to your doctor soon and get treatment.

Children 6 mo. to 5 yrs. old are now eligible for Covid vaccination.

Please consider a flu shot soon!

(Consult with your physician)

Our regular schedule is:

Weekly schedule:

- Sunday at 10:30 a.m. – hybrid worship (in-person, zoom and streamed)
- Sunday at 2 p.m. – Sunday Meals Program (in-person October through June)
- Thursday at 8:30 a.m. – Bible Study (zoom)
- Tuesday/Thursday at 5:45 p.m. – Angels Basketball Program (follows DOE Calendar)

Centennial Anniversary Fundraiser

We are already enjoying the use of the new chairs we purchased for the centennial celebration. We have raised \$3,000 for chairs and need to raise the remaining \$1,500. Please contribute to this fundraiser according to your means.

Friends,

We have lived through an extraordinary period in our own personal lives and as a community and nation. With faith we have kept on going and supported each other. In many ways 2021 and 2022 have been good years, and we have accomplished many things and completed many projects. Yet, we know more keenly than ever that anything we plan for in the future is just that—*a plan*—and will likely need adjustment.

As we embrace our life together now, we continue to discern who God is asking us to be? And what is God asking us to do? This work will be the seeds we will plant that others will tend, and even others will reap.

In Christ, *Mo. Carla*