

***Sunday, July 10 at 6 p.m. Steve Chionsini, Jr., Senior Warden of St. John's Vestry presented comments to the parish based on the numerous questions that have been posed to him since he was elected to office in June. The evening opened with prayer.

Senior Warden's Remarks to Congregation – July 10, 2011

Prayer,

The Lord be with you..... Let us pray.

O gracious Light,
pure brightness of the everliving Father in heaven, O Jesus Christ, holy and blessed.

Now as we come to the setting of the sun,
and our eyes behold the vesper light
we sing your praises O God: Father, Son, and Holy Spirit.

You are worthy at all times to be praised by happy voices,
O Son of God, O Giver of Life,
and to be glorified through all the worlds. *Amen.*

I would like you to stop for just a moment and think about why you are here this evening..... I would say it's not because of our clergy, or any of our other staff members..... No..... we are here because we love each other and we love this church. Thank you for coming out this evening.

As a way of introducing this meeting, just let me say that I have structured my remarks around the questions you provided me in advance. Some questions I am not able to answer but I will bring them to the attention of the rector and /or the Bishop when we meet again.

If during this talk you find that you have more questions, please write it on the index card provided and an usher will collect them at the end of my talk. If time allows I will answer as many as possible.

First, let me talk about the Role of the senior warden.

According to the Canons, the Senior Warden is the Chief Executive Officer, responsible for all temporal affairs of the Parish. The Senior Warden is also responsible for keeping watch over the Church property. It is also the duty of the Senior Warden to ensure the Vestry and all committees are functioning properly and reporting to the Vestry on a regular basis. As your Senior Warden, I pledge to you this will be done.

I will be both responsive and responsible and I will exercise fiscal responsibility to the best of my abilities. I am a business manager with many years of experience. I have started and owned two successful business, one here in the states and one overseas. I have served on numerous boards and I now manage a departmental budget of 3.4 million dollars for a major corporation. The Bishop appointed me to serve a three year term on the Diocesan Commission on Ministry whose responsibility is the recommendation of candidates for the priesthood or the diaconate after interviewing them.

Well that's enough about me!

Now I want to talk about Time, Talent and Treasures.

Time....

We're at a Critical juncture.....

We're experiencing a serious Crisis. Fiscally and attendance-wise, we are in trouble. Unfortunately, all mainline churches are facing these crises. But this evening we are going to focus on our crisis here at St. John's.

Over the past ten years our average Sunday attendance has dropped from 197 in 2000 to 128 in 2011. We must be pro-active, not reactive, in handling this crisis. St. John's has been a vibrant community of faith, service, and worship in the heart of downtown Charleston since the early 1800s. We must preserve this legacy – not only for ourselves but for future generations.

We're a diverse community of families and singles, young and old, gay and straight, wealthy and poor, black and white. We are not only diverse in demographics. We're diverse in talents.

Our Talents....

I have never been in a group of people with more talents and skills. We have teachers, musicians, politicians, leaders of all sorts, lawyers, bankers, doctors and nurses, and mental health professionals, artists, gardeners, computer gurus, writers, administrators, and yes Betty Jo, photographers.

We have more than 50 members who have completed EFM – Education for Ministry. Many participated in the program Disciples of Christ in Community (DOCC), and recently we have had parishioners participate in a group study to move St. John's forward as an authentic community. We have an awesome acolyte program and a choir that is second to none. We are trained for so many different ministries.

We have all the talent and skill right here to do anything we put our collective minds to.

I've mentioned Time. I mentioned Talents. Now I'm going to talk about Treasures:

Unfortunately, for the last several years, our treasures are not and have not been keeping pace with our expenses.

St. John's has not truly had a balanced budget for three years. For the calendar year of 2009, property was sold to balance the budget. In 2010 stock was sold to balance the budget. **This year St. John's has nothing left to sell.**

The budget for this calendar year is \$582,722. Unfortunately, when it was passed in January by the previous vestry, it was more than \$82,000 short in revenue. Even with a \$38,000 draw from the corpus of the Endowment and the Housing Funds and \$15,900 in income from the sale of stock the budget was still unbalanced by more than \$82,000.

At the June vestry meeting, the Vestry approved a sweep of about \$45,000 from restricted but not designated funds. This was done to forestall drawing down any more from the endowments. In addition, we received a refund from the Internal Revenue Service of \$10,000. This enabled us to pay our expenses for June.

But our financial crisis is escalating.

The projected expenses in this year's budget are about \$583,000. The total projected income is just little more than \$500,000 including the \$53,000 in capital draws. The income from pledges is budgeted at less than \$328,000. In 2010, the amount budgeted for pledges was almost \$395,000 but the actual amount received was only \$363,000.

So, as you can see, not only are our expenses greater, but our revenue, particularly pledged income, has dropped.

In an abbreviated fashion, let me explain this year's budget.

Salaries and other benefits are the bulk of our expenses as we should expect. The category for Personnel is budgeted at \$365,500.

Property Expenses including utilities, insurance and maintenance are about \$95,000.

Our Diocesan Assessment is little more than \$94,000.

Looking at a monthly Financial Report, our expenses are running approximately \$47,000 a month just for payroll, insurance, utilities, diocesan assessment and so forth. In July we also have about \$10,000 in quarterly payments due. This includes payments to the Church Pension Fund, the Workers' Compensation Fund, copier maintenance and postage

At the beginning of July, we only had \$1,708 in our operating fund (checking account) to

pay more than \$55,000 in bills. We anticipate additional revenue in the form of pledges, plate offerings, other contributions - and income from our Investment and Housing funds, but not enough to pay the bills.

At the end of May, the Endowment Fund had almost \$541,000. This fund is budgeted to provide \$15,000 in yearly income depending on market conditions. Likewise, the Housing Fund had \$494,000 and is budgeted to provide \$13,000 for operating expenses this year. Dipping into the corpus of these funds will decrease our income from them for next year and years to come. Over the past ten years, these funds have provided more than \$200,000 toward operating expenses. Therefore, you can understand why I am so opposed to drawing from the corpus of these funds.

As I said earlier, I am and will continue to be both responsive and responsible as your Senior Warden. I take my fiscal responsibilities very seriously. Here are a few of the fiscal management tasks I have undertaken:

I am currently examining all expenses (past and present) and am approving all checks.

I am reviewing all contracts – contracts for cell phones, the exterminating service, the payroll service, and the copier maintenance to name a few.

I am looking at insurance options. The health insurance coverage for a family through the Church ---- is currently \$30,000 a year per family. We spend a total of nearly \$82,000 for health and life insurance. Our property insurance is \$14,000.

We may not be able to reduce these expenses, but we must explore every option.

A question I received from several of you has to do with our salary and benefit packages for our clergy. As I mentioned earlier, our Personnel Expenses are \$361,000. This budget category is made up of salaries, clergy housing allowance, FICA/SECA taxes, Pension Plan deposits, Workers' Compensation, Health, Disability and Life Insurance, professional and travel expenses for clergy, and clergy continuing education.

The total compensation package for our rector is a little over \$132,000 and for our associate rector it is about \$96,600. But I remind you, that this includes salary, housing, payroll taxes, insurance and so forth. A complete breakdown is included in the handouts.

I hope I have not burdened you with too many figures but I thought you needed to know them.

Now I want to talk about how I plan to deal with this situation.

I am asking the Finance Committee, which I chair as Senior Warden, and the Rector to present a mutually agreed upon amended budget to the Vestry in August. I am proposing that we freeze all non-essential travel, continuing education for clergy,

and explore possible salary and benefit adjustments.

I am also recommending that any draw from the Housing Fund be solely for clergy housing. Between now and the end of the year, we will need to pay \$22,500 in clergy housing allowances. Considering our budget shortfall, I suggest that we take a monthly draw of \$3,750 from the Housing Fund to cover this monthly expense. It pains me to recommend a draw from the Housing Fund but I see no other alternative.

In June, the Vestry voted to petition the Diocesan Council for a reduction in our Diocesan Assessment as set forth in the Canons. I will follow through to see that this petition is presented and acted on.

I am also asking you, the members of this parish, to pay your pledge as soon as possible and to consider additional contributions if you are able. Without additional funding, we cannot pay our bills unless we draw down from our Endowment a second time.

I am proposing that the Vestry adopt a resolution requiring that future budgets be balanced without touching the corpus of any endowment funds or borrowing from restricted funds.

I want a review of the investment accounts such as the Caperton Fund, the Edmund Caskie Harrison Fund, and any other funds to ensure they produce the greatest amount of return.

As I said before, we must deal with this crisis together. So I pledge to you a chance to see the 2012 budget before it is passed in January. I plan to make it available at the Parish Meeting in November. Unfortunately, I can tell you now, we do not anticipate having either the income nor the attendance to support two priests in 2012.

Also, at the parish meeting, you will be given an opportunity to vote on the adoption of parish by-laws.

Moving away from finances, I want to talk about my other plans for St. Johns.

As I said before, I have never been around so many talented and skilled people and I hate to see it go to waste or be underutilized.

As the Bishop said to me - one of my jobs is to see that the vestry and all committees are functioning.

Therefore, I want to reactivate and engage members in meaningful committee work – Music and Worship, Pastoral Care, Christian Formation. I would like to see all committees functioning as well as the Parish Life and the Fellowship Relations committees.

As an ex officio member of all committees, sometimes a voting member-sometimes not, I plan to attend all committee meetings including the Ad Hoc Committee and the Fellowship Relations Committee. I want to be completely informed about all we do here at St. Johns.

I am planning a ‘Job Fair’ for the first of September to give folks a chance to find out more about our committees and to sign up to share their time and talents and ideas.

I have established weekly meetings with our Rector and I would like to meet with the Bishop every two months. During the meetings with our Rector, we talk about pressing issues and concerns that are brought to me by members of the congregation. In my opinion, these meetings are very productive.

I talked to the Bishop about re-commissioning Lay Eucharistic Ministers. The Bishop agreed to sign the licenses for qualified people as soon as he receives them. I hope that anyone who wants communion and cannot make it to church has it brought to them.

To keep you informed and involved, I plan to hold quarterly meetings similar to this evening.

As a side note: this evening’s meal, as well as the mailings for it, has been provided through the generosity of several parishioners. You know who you are and I thank you.

Now -- What can you do?

First, if you are not current in your pledge, please try to do so.

Secondly, if you are able, would you consider paying your pledge in full as soon as possible?

Third, consider a one-time gift to help us avoid an unbudgeted draw from our endowment fund.

Fourth, please stay involved. We are all in this together. This is our church, our congregation, our community, and to many like me, it is our family.

And finally, keep us – each and every saint of John -- in your prayers.

I have tried to provide answers for all the questions that were sent in. If you have written question on your card, please hold up your card and the usher will collect it. I will answer as many as I can or as time permits.

Again, I really appreciate your coming out this evening and I hope it has been as meaningful for you as it has been for me. We are the community of St. John's and our future is in our own hands. I am encouraged by your participation and I know, with God's help, we can be as strong and vibrant as we once were.

Now let's go have some fun and I hope you enjoy the fellowship and good food!