



PRESENTATION MADE AT THE 2019

Annual Vestry Meeting

BY LEE SHOULDICE

Chair, Board of Management

At the 2019 Annual Vestry Meeting, held on Tuesday, February 26, incoming Chair of the Board of Management, Lee Shouldice, spoke to members of the community in attendance to give all a sense of what this year holds in store for the Church of the Redeemer. This is a copy of his remarks.

The next 12 months are going to be characterized by the three “Ds” – **dialogue, debate and decisions**. There are some issues facing the Church about which we need to have some frank dialogue.

First, I'd like to briefly acknowledge the outstanding work that our congregation and staff do here at the corner of Avenue Road and Bloor Street. We are one of the leading Anglican parishes in the Diocese of Toronto because we have a deeply-committed congregation and staff who are uniquely talented, active and energized. We are doers. The Common Table is a leading drop-in program in the City. We have a top-notch Refugee Committee that can deftly navigate the many obligations required to successfully launch new lives here in Canada. We have an amazing music program, and our Christian Education initiatives, including our children's and youth ministries, are outstanding. We are positioned to enjoy many future successes. We are in the process of choosing a new incumbent, who will provide the parish with renewal and strategic direction.

Simply put, we have a lot going for us here.

All of that said, we can no longer ignore a problem that puts all of what we have built here at risk – the “elephant on the altar”. It is this: we just do not contribute enough money to the Church to fund its ongoing operations.

You may believe that we balanced our budget last year. In fact, our financial statements tell us that we ended this past year with a \$43,000 deficit, \$17,000 more than budgeted. That's not great, but it's not a catastrophe.

However, if we dig into how last year's result was achieved, we find that our deficit was manageable only because we used over \$200,000 in undesignated bequest money from a number of former parishioners to help fund our operational expenses. When we started to put together our 2019 budget we realized that using bequest money in this way did not comply with a Church policy on bequests that was passed by Vestry in 2008. That policy provides that undesignated bequest money should be devoted to capital projects. If we had applied that policy in 2018 and not used bequests to pay for operational expenses, our deficit would have been over \$225,000. In other words, notwithstanding what appears to have been a successful financial year, in fact **our congregational giving and other income did not come even close to covering our operating expenses last year**. The real fiscal gap is large.

We will not be using undesignated bequest money this year for operational purposes. Eleven years ago, Vestry determined that these monies should be used for capital purposes, to support the Church fabric, and not be directed to operational expenses. This policy still stands and ought to be applied. **The Board of Management will be working on a more comprehensive legacy policy during 2019, with the intention of returning to Vestry next year for approval.** There will be considerable discussion this year regarding what that legacy policy should look like.

This raises for consideration the next topic for dialogue, debate and decision. We are a large “program-sized” church that is on the cusp of becoming a “resource-sized” church. Susan Graham Walker wrote an excellent article about church size typology last year in *The Gathering* which explains the distinctions far better than I can. What is important is this: **if we want to continue to be the hands and feet of Jesus here, providing the same level of support to our community that we currently do, without burning out our clergy, our senior staff, and our senior lay leadership, we need to make some immediate changes, including an investment in support staff.** As a start, we have built into the 2019 budget funds that will allow us to hire a part-time communications staff member. The tasks performed by that staff member will take pressure off of our clergy, staff, and super-volunteers, freeing them up to do the work they do best.

As you might expect, to make a change of this nature requires the congregation to take a leap of faith, particularly when there is a large fiscal gap. But if we don't take that leap, there is a real risk that we will slide backwards and be unable to sustain the important work that is being done by this community. The senior leadership of the Redeemer believes that we need to take that leap of faith. **The budget that has been passed by the Board of Management and by Vestry tonight envisions us acting boldly to serve God in this community, both inside and outside of this building.** Is this what the entire congregation desires? The dialogue and debate that we will have over the next 10-12 months will tell us.

Most importantly, so will our level of givings. I cannot overemphasize how critical this piece is. We have budgeted for a deficit of \$115,000 this year, a gap that will be covered by drawing upon our investment funds of about \$1 million. But that is a best-case scenario, because our budget assumes that our congregation will donate \$105,000 more in envelope givings this year than we did in 2018, an increase of about 15%. **If we don't want to encroach on our investments, we need to raise an additional \$220,000 this year.** This is an extremely aggressive target. If we do not collectively step up to the plate and meet the 15% target, our year end deficit will be much higher than \$115,000, and we will have to draw upon even more of our investment funds to fund our operations.

To be totally frank, if absolutely necessary we can do what we're planning to do this year. However, **to draw on our investment funds beyond 2019 is simply not sustainable, even in the very short run, because there are significant capital projects that we must fund in the next year or two.** In particular, desperately needed repairs must be made to the three beautiful stained-glass windows that you see behind me. The Capital Reserve Study that the

Church had completed this past year describes the windows as being “in poor to fair condition” with “severely deteriorated” wood components. If we don't repair these windows in short order they will begin to fail. The cost of making those repairs is estimated at \$380,000. Also this upcoming year, we hope to replace our aging pews with chairs. It's time that we do this. To do so will allow us to do so much more liturgically, but also to use this space for other purposes, some of which will generate additional revenue for the church. Bequest money has been earmarked to pay for chairs.

But, to repeat, there will be no undesignated bequest funds used this year to artificially close the operational spending gap. We will no longer expect those who blazed the trail before us, and have honoured us with a bequest, to subsidize those of us who currently attend the Church. **We must fund our ongoing operations ourselves.**

What if we don't? If we can fully fund our operations, we will maintain what we have built, and we will continue to thrive. **If we cannot fully fund our operations, we will have to significantly reduce our budget and re-evaluate what it is that we can really afford to do here.** In practical terms, what that means is that we will have to scale back on our staff and our programming. The Board of Management will be monitoring the situation on a month-to-month basis. If our situation does not appear to be improving sufficiently, we will revisit our budget in early summer, make any necessary changes, and bring them to the congregation as part of our mid-year financial review.

To those of you who currently donate as much as you can to the Church, nothing more is expected, and I thank you for your generosity. To those of you who have given generously, but could still donate more, I ask you to prayerfully consider a more robust donation to the Redeemer this year, and in the years to follow. If this is something that you are prepared to do, please do not wait until December to do so. By then it will be too late. **We need to know before summer whether the congregation is prepared to continue to support the work done here at the Redeemer.**

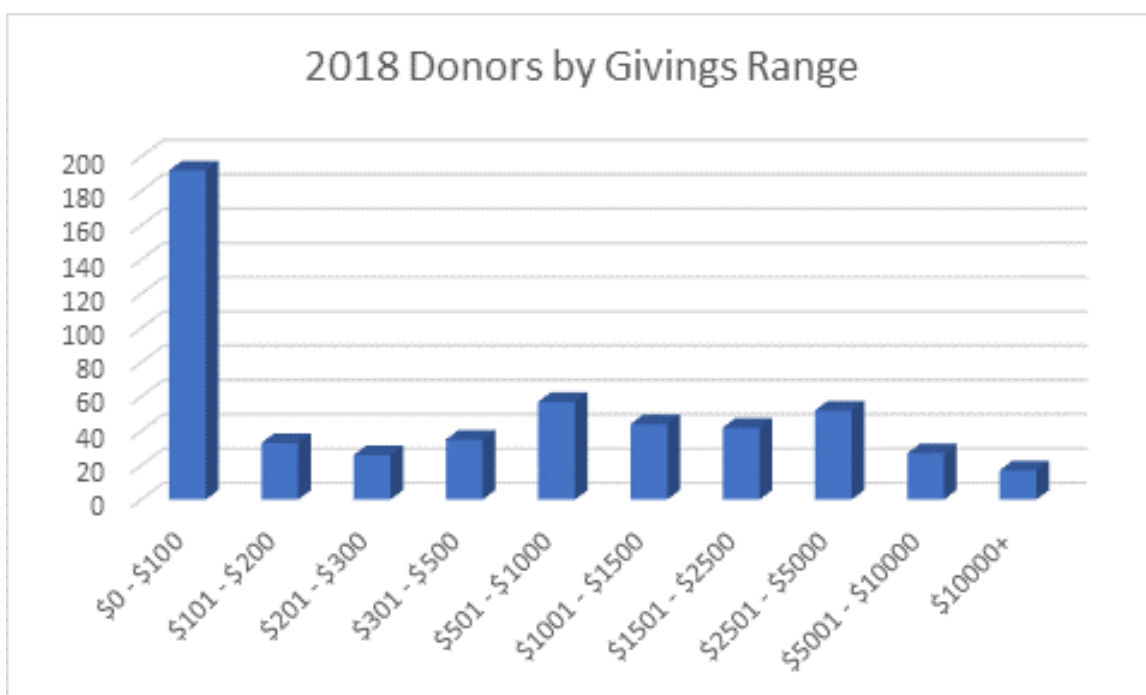
In discussions with parishioners I have consistently heard a desire for more transparency around our finances, so that the congregation knows exactly how we are doing. My frank comments tonight are in response to that concern. I am not sugar coating anything, because I want there to be no ambiguity. I do not want anyone to say later this year that they did not understand how serious our fiscal situation really is.

2019 will be a challenging year for the Redeemer. Will we succeed in resolving this situation? I am optimistic enough about this community to believe that we will, with God's help. This is a community which, over the past 40 years, has overcome many challenges, not the least of which was its disestablishment during the late 1970s. **I know how much each of you care about this community, and the ministry that we do here. Please help us so that we can continue to do God's work here on the corner.**

Thank you very much for your attention. I look forward to working with you and on your behalf over the next two years.

A Summary of Donations in 2018

2018 Givings			
Ranges	# Donors	Total Gifts	Average Gift
\$0 - \$100	192	\$ 9,142.20	\$ 47.62
\$101 - \$200	33	\$ 5,452.20	\$ 165.22
\$201 - \$300	26	\$ 6,564.38	\$ 252.48
\$301 - \$500	35	\$ 14,521.00	\$ 414.89
\$501 - \$1000	57	\$ 44,213.40	\$ 775.67
\$1001 - \$1500	44	\$ 54,765.25	\$ 1,244.66
\$1501 - \$2500	42	\$ 82,214.00	\$ 1,957.48
\$2501 - \$5000	52	\$ 182,969.08	\$ 3,518.64
\$5001 - \$10000	27	\$ 172,807.20	\$ 6,400.27
\$10000+	17	\$ 357,317.50	\$ 21,018.68



These summaries of 2018 donations are offered to give members of the Church a sense of our donation patterns in 2018. All are invited to consider prayerfully whether their financial contributions fully reflect their on-going support for the mission and ministry shared at this corner.

Church of the Redeemer

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