

**St. Margaret's Episcopal Church 2020 Annual Meeting
Sunday, June 28, 2020**

**Senior Warden's Report
Jane Quenk**

Good morning all. This is a bittersweet moment for me as I look to step down from my leadership roles as your Senior Warden. I have been privileged to serve the parish in my three years and have learned so much from all of you. I want to thank my esteemed Junior Warden, Mike Armstrong, as well as all of the Vestry members I have served with as both a Vestry member and Senior Warden. I especially want to recognize my own "kitchen cabinet" of former wardens who have been so generous in their support and coaching – Polly Donaldson, Paige Cottingham-Streater, Farar Elliott, Ron Lorentzen, Dan Sealy, and Cathy Siders. I feel honored to join your ranks as a former Warden and will always be available to Mike and Jenny and any of our lay leaders for support in any way. I also want to thank the two rectors I have served with – Kym Lucas and Richard Weinberg.

As Michael already acknowledged some of the parish committees, I also want to thank the committees who have supported our worship life.

- The Altar Guild, which is one of the ministries of my heart – thanks to everyone who has been part of this ministry and their dedication and support. I want to welcome a new member – Maya King.
- The Flower Guild, which is small but mighty, under the leadership of Tony Towler and Karen Castro continue to delight and soothe us in celebrations and memorials with their beautiful creations.
- The Vergers, Lectors and Intercessors who have adapted to our digital services and continue to lead us in worship.

While it seems as though the world stopped in March with the pandemic, we cannot forget that this past year at St. Margaret's has had many high moments:

- We celebrated our 125th Anniversary with a series of wonderful former St. Margaret's clergy as speakers
- As Mike highlighted, we restored, repaired, and refreshed significant elements of our physical properties
- Under Paige's leadership, we saw an increase in pledging and other forms of stewardship
- Our attendance numbers have grown, and our newer members have pitched right in to assist on critical projects with new voices and new perspectives. I am very

excited that three of them have been called to run for Vestry – Annika Mitic, John Lucas, and Garrison Gordon

- We began to implement the action items and plans stemming from our Unstuck Church strategic planning group
- Under Richard’s leadership and Diocesan connections, we obtained valuable grant support from the Diocese to fund a new vision for worship, and we began the experiment of one service, new music and a refreshed approach to welcoming newcomers; throughout the past year, we have enjoyed a closer relationship with the diocese as we benefitted from their resources and their advice on multiple fronts.
- We gathered at an open house to see our newly repaired Rectory
- We selected Richard to become our Rector. I am especially pleased to be the Senior Warden to call Richard. I know he will be lead St Margaret’s with compassion and commitment.

I also want to acknowledge the hard work of the Vestry and many long Tuesday evenings spent discussing the thorny and challenging issues relating to the health of the parish and our ability to best pursue our mission.

- Under the leadership of Heidi Mayor, we explored the feasibility of become a sanctuary location for undocumented immigrants, determining that our physical plant was not conducive to this status but that our desire was to support such efforts elsewhere
- Todd Torres-Douglas managed tasking an architect/real estate consulting team with providing an overall assessment to the Vestry of how to best leverage our church property for the twin goals of maximizing parish needs and maximizing revenue opportunity. This effort, while largely complete, is now on hold until next year.
- Leveraging the skills of Miranda Cooter and Karen Castro, we conducted a parish survey to discern our “current state” regarding hopes and expectations as a backdrop for informing the call of Richard to be our next Rector.
- Working with our Treasurer, Cathy Connelly, we were able, through a more robust season of giving and through closer scrutiny of essential functions, to deliver a budget with a much more modest allocation for spending reserve funds.
- Now, in the last few months, we’ve gone back to our budget to approve further spending reductions and to encourage building upon our momentum as we virtualize worship and community, rethinking best ways to remain mission-focused.

As a Vestry, we have evolved toward focusing on our spiritual health, taking time for reflection and Bible study as we also act as your elected stewards of our finances and our parish life. We have encouraged debate, taking the time to think deeply about precedent and about consequences. We have worked to be transparent and accountable.

These are not easy times, but while in each season we struggle with the unknown we also have faith in God's love and God's forgiveness. I leave this role knowing that everyone has done their very best and done it in the spirit of pursuing a greater good and a wonderful St. Margaret's. We have much to be proud of and much to look forward to. You all are terrifically talented and caring people. It has been an honor and I look forward to being with you as we move into our next chapter.

Thank you so much for letting me be of service.

Junior Warden's Report Michael Armstrong

It is my pleasure to share with you the results of hard work from our many volunteers who have focused on activities adding to the value of our parish through utilization of our property, impacting our community, and celebrating our space.

Building and Grounds Committee

Overview

The Building and Grounds Committee (B&G) serves as the stewards of St. Margaret's Episcopal Church (SMEC) facilities and grounds. SMEC facilities include the Sanctuary, the 1830 Townhouse, the Rectory located at 2324 Ashmead Place NW, as well as any future buildings and land owned or managed by the Vestry. The B&G advises the Vestry regarding space utilization, maintenance and repair, strategic planning, and development of SMEC facilities.

B&G Members

Daisy Njoku – Chair of B&G

Miranda Cooter – Vestry Member

Regina Curran – Vestry Member – Transitioning Off

Todd Torres-Douglas – Vestry Member – Transitioning Off

Carolyn Eaves-Goff – Vestry Member & Strategic Planning Partner

Chris Kimmel

John Payne

Damon Clements – Sexton

Current and Proposed Future Projects:

General Maintenance and Repairs: Among items tagged for replacement or upgrade when feasible are the sound system, security cameras, and sanctuary light system. The B&G also considers it a priority to address gutter cleaning and stormwater management to resolve significant runoff and soil erosion around the church.

Columbarium Expansion: A desired project is developing larger niches to accept multiple urns. To do this, the vestry will need to hire an architectural firm to design the expansion of the columbarium.

Architectural Support: As we move toward reoccupation of our campus, a pending project involves measurements, floor plans, occupancy load calculations, and exhibits to be developed for marketing of available spaces for lease and/or short-term rentals.

Development plan for church properties: The vestry has engaged a real estate consulting firm to identify all the possible options for the development of church properties to maximize revenue generation while protecting the historic church.

Projects Completed:

- Rectory renovation and repairs
- Repair of damaged plaster walls in area near kitchen and stairwell to the nursery
- Installation of new tile flooring in area between the bathrooms and the kitchen
- New water fountain installed by the bathrooms
- New wood flooring in the Rector's office
- Repair of a section of the flat roof above the parish hall

STAINED GLASS WINDOWS

In February, with the original plan developed by Charlie Grizzle, we celebrated the repair and re-installation of most of our stained glass windows facing Connecticut Avenue, thanks to an allocation from the Vestry and donations from the Martin and Fuller families. The restored windows are now protected by transparent and protective glass to ensure greater light, with the window infrastructures strengthened for a long life ahead. Our ongoing relationship with Shenandoah Glass will allow us to pursue further restoration efforts in the future.

GARDENS

A special thanks to Patty Lemmerman, our resident landscape architect, and her husband Jim Wolford, for adopting all things green, growing, and garden-worthy. At the church Jim has been weeding the planting beds about once a week.

At the rectory Patty and Jim worked with Richard to develop a new rectory garden in the front yard. Richard used remaining funds from the rectory donations and his own donations to purchase these materials.

MAGGIE’S CABARET

The cabaret series known as Maggie’s Cabaret celebrated its 17th Anniversary in May. It has been my pleasure to serve as co-founder and co-producer of Maggie’s with Cindy Hutchins, who works so hard to find just the right talent, and encourages budding cabaret performers, to contribute to our series.

Since our last Annual Meeting, Guy Bosworth did his solo show “Born on Broadway” in November and we hosted the fourth installment of "Hearts and Darts" with seven members of the DC Cabaret Network this past February. Net proceeds from our two shows since the last annual meeting totaled \$2,000; since its inception, Maggie’s patrons have contributed more than \$30,000 to the St. Margaret’s general fund. We are committed to keeping Maggie's going virtually through 2020 and beyond, if necessary, until we can gather together again.

RUMMAGE SALE

Our thanks to Julie Polter and Richard Vilmenay for once again chairing the Rummage Sale, which experienced another surge in overall revenues and new volunteers. Our team set a new record for overall revenue at \$31,600! Our section managers worked diligently throughout the preceding week to set up merchandise, finish pricing, and keep up the spirits of our many daytime and nighttime volunteers. Our jewelry department, chaired by Cathy Connelly and AnaMita Betancourt, accounted for over 50% of total sales.

The co-chairs would also like to thank our cashier and check out teams, our clean-up crew, the charities who received unsold merchandise, Damon and his set up and take-down team, and all who participated, purchased and prayed for our success. We know that we will need to rethink how we would maintain opportunities for our parish and community through virtual activities this year. Stay tuned for new ideas and approaches!

We also benefitted from Cathy and AnaMita hosting our second “jewelry pop-up sale” which added over \$4,300 to our general fund.

In Conclusion

It has been my great honor to serve as your Junior Warden for the past three years, working first with Senior Warden Cathie Siders and Rector Kym Lucas and now Jane as Senior Warden and Richard as our new Rector. The partnership with Jane has been wonderful and treasured as we navigated through transitions, building and budget challenges, and the refreshed sense of mission accompanying the selection of Richard as priest-in-charge and now Rector. To my fellow vestry members past, present and future, many thanks for your prayerful focus and enduring wisdom.

So much has been learned, and so much is yet to be discovered. I believe God has been and will be with us, and we will see things more clearly as we strive to walk in the Way of Love in the days ahead.

Treasurer's Report Cathleen Connelly

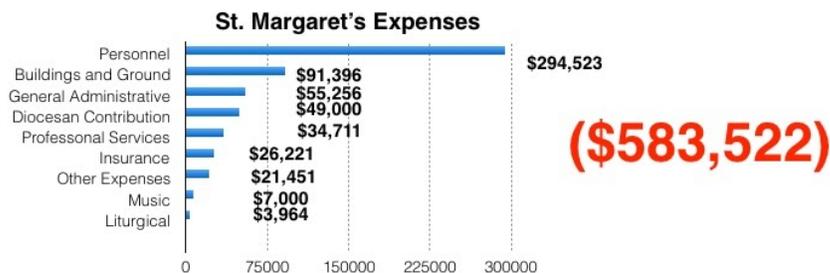
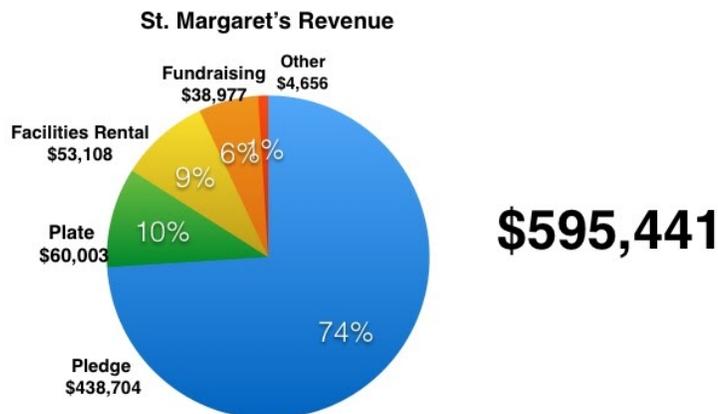
Good morning, everyone. I'm going to say a few words about the Finance Committee and its work and then move into slides showing income and expenses for each of the parish and Charlie's Place followed by a slide showing the values of the church's investment accounts.

I want to thank the 2019 members of the Finance Committee: Jane Quenk, Michael Armstrong, Sharon Dove, Jonathan Nurse, Todd Torres-Douglas and Marty Williams and welcome Brian Valle, our newest member this year. The Committee was supported by Nibe Winston, the church's bookkeeper and by an investment management team at FBB Capital Partners, the church's investment advisor. Operating funds are held at TD Bank.

Your Finance Committee prepared the 2019 annual budget for the Vestry's review and approval, monitored it throughout the year, and developed fundraising ideas. The Committee supported the pop-up Jewelry and Treasures Sale and developed a fundraiser in perpetuity through the Amazon Smile program, where a percentage of eligible purchases on Amazon are donated to the parish. The Committee was working on new fundraising ideas when the world took a pause in March, but it was able to roll out the ink cartridges perpetual fundraiser just before the pause.

Now to the slides.

St. Margaret's Operations 2019 Income



The first slide shows the operating revenue and expenses for the church last year. Operating revenue was \$595,441, with the greatest percentage coming from Pledges, Plate and Facilities Rental. Facilities rental includes the money the church receives from Dignity, its monthly tenants, and for room rentals for group meetings. Fundraising revenue includes money from the Rummage Sale, Maggie's Cabaret and the Pop-Up Jewelry and Treasures Sale. Other revenue includes interest on our money market account, memorials, and donations.

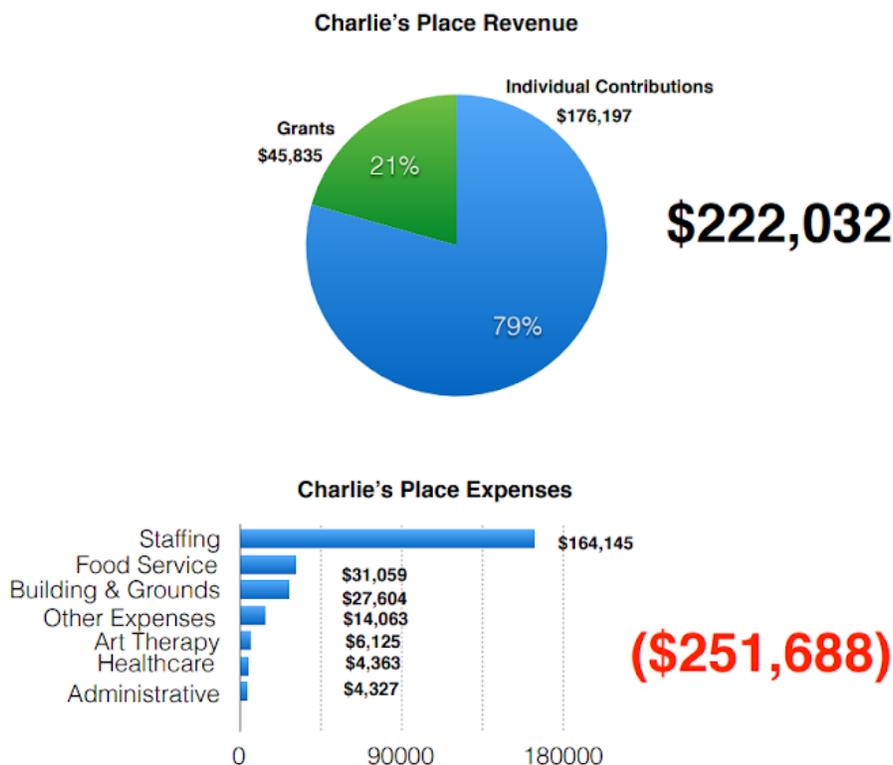
The church had \$583,522 in operating expenses last year. You see the categories of expense on the left-hand side of the bar graph. The largest share of expenses is Personnel followed by Buildings and Grounds and General Administrative.

As you can see income exceeded expenses and the church had a surplus of nearly \$12,000. This is a very positive development especially in light of our recent past deficit spending. Tighter expense controls developed in the office by Richard and Tim, greater giving, and higher fundraising revenue turned the budgeted deficit into a surplus.

In addition to operations spending, the church had capital spending of more than \$200,000 for the upgrade of technology infrastructure in the office and parish hall as well as the repair and renovation of the Rectory.

The church was able to pay for repairs, renovations and upgrades last year as well as the replacement of the heating system in recent years and the roof repair this year only because of the generosity of parishioners who have come before us. In fact, more than \$750,000 has been given to the parish by the estates of parishioners who have passed away in the last few years, last year by the estate of Margaret Hunter. Frankly, without their gifts, it is difficult to see how the church would have financially survived. I urge everyone to consider including the church in their estate planning.

Charlie's Place Operations



We've just looked at the parish's operating finances. Now let's turn to the operating finances of Charlie's Place. Charlie's Place received income of \$222,032 in 2019, through gifts from individuals and grants from foundations. Its expenses were \$251,688. The areas of its greatest expense were personnel, food service, and building and grounds, that is its share of space and services in St. Margaret's.

For Charlie's Place expenses exceeded income and for 2019 it had a deficit in operations of \$29,656. When Charlie's Place has a deficit it first draws on any surplus giving funds it had in prior years. If there are no surplus funds from prior years, the church covers the deficit. In 4 of the last 5 years, Charlie's Place has run a deficit.

**Investment Accounts
2018-Present
Comparison of Values**

Investment Accounts	12/31/2018	12/31/2019	6/25/2020
Vestry Investment Account	\$529,666	\$757,905	\$659,813
Outreach Investment	\$233,537	\$279,017	\$266,805
Total Investments	\$763,203	\$1,036,923	\$926,618

This slide shows the value of the church's investment accounts. The church has 2 investment accounts. The first account I've called Vestry Investment. It holds funds that our both restricted and unrestricted. When needed to fund operations, unrestricted money – that is money that can be spent for any purpose – in this account is transferred to our operating account at TD Bank. Restricted funds have been designated either by the giver or by the vestry for a specific purpose: the Susan Blue Building Fund, a newly created Technology Fund, Stained Glass Windows Fund are examples of moneys given for a specific purpose and may only be disbursed for that purpose.

The second investment account is the Outreach Investment Account. It was created nearly 20 years ago when a \$200,000 gift was given by the estate of a parishioner and the Vestry restricted its purpose to Outreach and then designated that only income generated by the account could be disbursed.

For comparison purposes, I've given you the balances in these accounts for 2018 year end and for near week end last week. I'd like to point out that without the \$750,000 in bequests over the last few years, the Vestry Account would be drawn down to zero.

In closing, the financial operations at the church are moving into a better position from the recent past. The combination of stronger pledging, contributions and fundraising, coupled with tighter expense control positions the church well going into 2020.