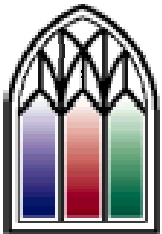


All Parish Annual Meeting

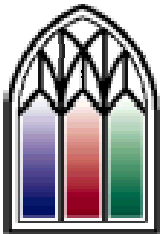


January 22, 2012

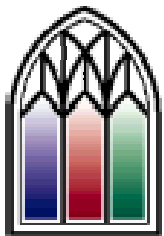


Agenda

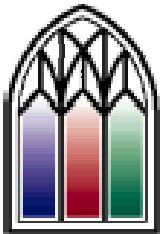
11:00	Welcome/Opening Prayer	Fei McKhann/The Rev. Dr. Lee Doucette
11:05	Elect Clerk/Approve 2011 Annual Meeting Minutes	Fei McKhann
11:10	Presentation and Affirmation of Bylaws	Fei McKhann
11:15	Election of Leadership Slate	Brian Ostenso
11:25	Leadership Transition Senior Warden's Reflection	Fei McKhann
11:30	75 th Anniversary Jubilee Celebrations	Julie Baker
11:35	75 th Anniversary Discernment Findings	John Ellingboe
11.40	Treasurer's Report 2011 Results & 2012 Budget	Dave Holmberg
11.50	The Year Ahead	Brian Ostenso
11:55	Rector's Remarks	The Rev. Neil Alan Willard
12:00	Closing Prayer	The Rev. Neil Alan Willard



Affirmation of Bylaws



Election of Leadership Slate



Thanks To Our Outgoing Leaders (I)

Thank You For Your Dedication and Contributions

Vestry

- Catherine Beringer
- David Clynes
- Cary Johnson
- Debbie Belfry, Returning Vestry Member
- Andrew Petersen, Youth Representative

Personnel Committee *

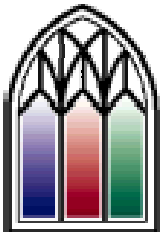
- Jackie Sullivan

Finance Committee

- Bob Haider
- Paula Hart

St. Stephen's Fund Committee

- Paula Hart
- Scott Vergin (although Scott has agreed to another term)



** Not a standing committee*

Thanks To Our Outgoing Leaders (II)

Thank You For Your Dedication and Contributions

Outreach Committee

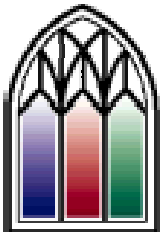
- Vanessa Johnson
- Judie O'Brien

Stewardship Committee

- Tom Beringer
- Jane Parry
- Larry Reynolds, Staff Liaison
- Anne Scoggin, Co-Chair
- Tim Young

Properties Committee *

- Ted Schwarz, Chair



** Not a standing committee*

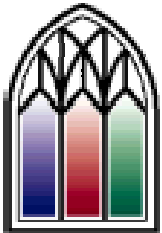
Proposed Leadership Slate for 2012

Vestry

Senior Warden:	Brian Ostenso (term ends 2013)
Junior Warden:	Anne Scoggin (2013)
Treasurer:	Dave Holmberg (2013)
Clerk of the Parish:	Cathy Cella (2013)

New Vestry Members:

Susan Seiler (Returning Vestry Member; term ends 2013)
Katie Pylipow (Youth Vestry Representative; term ends 2013)
Todd Andrews (term ends 2014)
Susan Dowd (2015)
Ann Marx (2015)
John Sullivan (2015)



Proposed Leadership Slate for 2011

Standing Committees (I)

Finance Committee (terms end 2015):

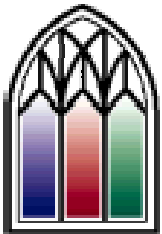
- Debbie Belfry
- Chas McKhann

St. Stephen's Fund Committee (terms end 2015):

- Jackie Sullivan
- Scott Vergin

Outreach/ Mission Committee (terms end 2015):

- Tom Costello
- Jane Turner

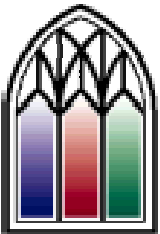


Proposed Leadership Slate for 2011

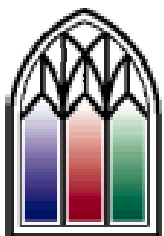
Standing Committees (II)

Stewardship Committee (terms to be staggered through 2015):

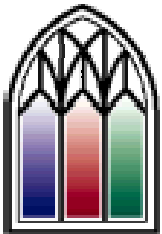
- Bob Haider
- Cary Johnson, returning Chair
- Mark Moeller
- Annie Schilling
- Alisa Skatrud
- John Sullivan
- John Sundell
- Meredith Tutterow



Warden's Reflections

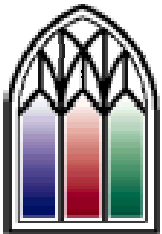


75th Anniversary Jubilee Celebrations

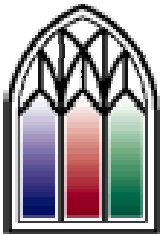


Celebrating 75 Years!

- We will continue celebration of our 75 years serving our community with:
 - Brunch after this meeting
 - Faith and Work Lecture on Saturday, February 4
 - Lenten Sundays “Hospitality of God” Adult Forums
 - Cornerstone Birthday Dinner on Saturday, April 14
 - Cornerstone Worship & Reception on Sunday, April 15
 - All Parish Outreach Project, date to be announced
 - TEC and Youth Ministry Reunion in June
 - Laughing Water Weekend August 25-26: Family Bike Ride and All Parish Picnic
 - All Parish Retreat at St. Stephens the weekend of All Saints Sunday

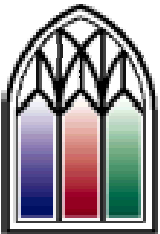


Discernment Survey



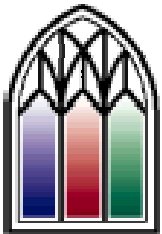
Discernment Survey: What we Asked (Open Ended Free Form Questions)

- When someone first attends a service at St. Stephen's, what impressions would you like them to leave with?
- How do you briefly describe or characterize St. Stephen's?
- How would you like future members to describe St. Stephen's?
- What initially brought you to St. Stephen's and what keeps you here?
- If St. Stephen's were to undertake a capital campaign, what do you believe are the one or two most important uses of the money?
- What do you believe is most important for St. Stephen's to remain a vital Christian community over the next 10-20 years?
- Values ranking exercise (not open ended – selected from a list)



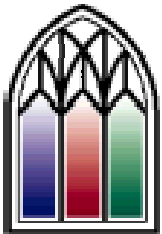
Discernment Survey: What we heard

- When someone first attends a service at St. Stephen's, what impressions would you like them to leave with? **Welcoming; friendly; worth exploring further; open and accepting; joyful (66%).**
- How do you briefly describe or characterize St. Stephen's? **Inclusive; Christ centered; opportunities for service; warm; open; thoughtful (55%).**
- How would you like future members to describe St. Stephen's? **Inclusive; welcoming; vibrant; intelligent; healthy; home (69%)**
- What initially brought you to St. Stephen's and what keeps you here? **Family/fellowship (21%); location/proximity (16%); youth programming (9%)**



Discernment Survey: What we heard

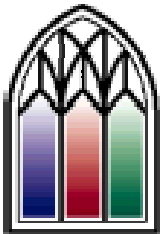
- If St. Stephen's were to undertake a capital campaign, what do you believe are the one or two most important uses of the money? **Upgrade/maintain current buildings, grounds, facilities (46%); add to facilities, gathering spaces (15%), increase endowment/reserves (9%); no pressing need for a campaign (7%).**
- What do you believe is most important for St. Stephen's to remain a vital Christian community over the next 10-20 years? **Inclusivity, welcoming to new members of all ages (42%); maintain but keep relevant Episcopal foundations of scripture, reason and tradition (25%).**



Values Top 10

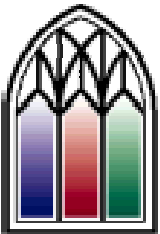
Responses Scored 1st=5pts, 2nd=4pts, 3rd=3pts, 4th=2pts, 5th=1pt

Sunday Worship Services	127
Being a welcoming community	82
Christian Community where reason is accepted	73
Music, including choirs, organ, and instrumental	57
Youth Ministry and education	47
Outreach	40
Tradition	32
Children's ministry and education	30
Scripture	25
Small group ministry	21

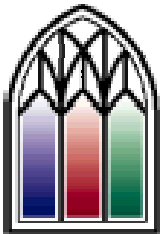


Discernment Survey: Where are we going?

- Discernment and discernment data analysis: **Complete**
- Work with Properties Committee on two fronts: **Underway**
 - Develop possible projects consistent with discernment survey responses:
 - preserving and maintaining current facilities
 - improving or adding to gathering spaces
 - Price out identified possible projects (**Spring 2012**)
- Assess feasibility of a capital campaign together with experts from the Episcopal Church Foundation for purposes of:
 - preserving and maintaining current facilities
 - improving or adding to gathering spaces
 - enhancing endowment**(Summer 2012)**
- *If it is determined to be feasible*, undertake capital campaign (**Fall/Winter 2012-13**)

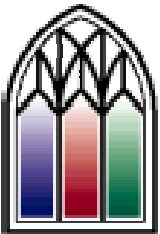


Treasurer's Report 2011 Results, 2012 Budget



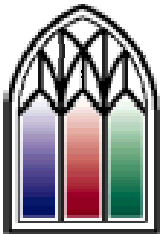
Financial Review

- A Look Back
- Costs vs. Mission
- Costs Experientially
- Improving our Fiscal Stewardship
- Cuts for 2012



Quiz Question #1

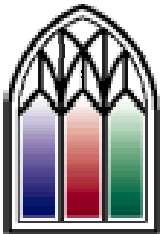
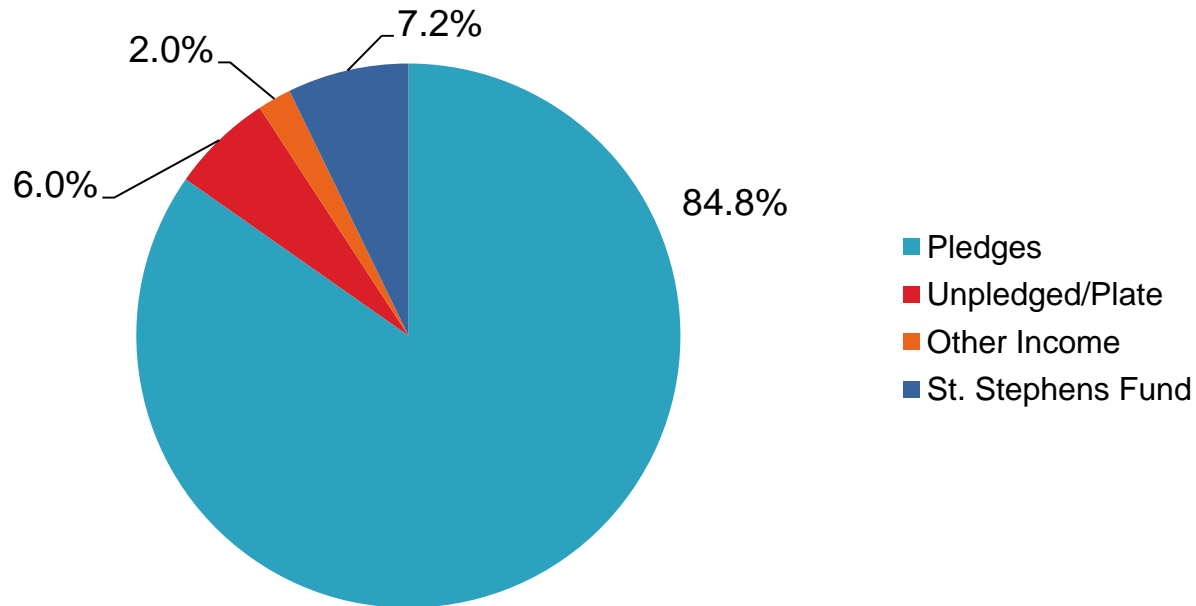
Pledges represent what percent of the overall operating budget at St. Stephens?



Answer – 84.8%

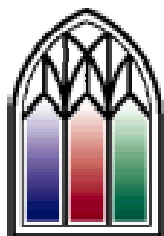
Pledges constitute almost 85% of our total annual budget. This comes from roughly 300 pledging households. Contributions to the budget from our \$2.4 million endowment total just over 7% of income.

Income By Source



Quiz Question #2

How much has St. Stephen's budget gone up since 2008?

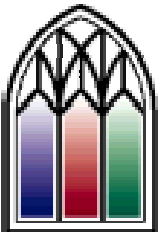


Answer: Our budget has gone **down** almost 18%

	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Budget
Pledge Income	\$1,208,330	\$1,134,179	\$1,018,767	\$1,079,130	\$1,054,838
Other Income	\$249,974	\$279,381	\$224,425	\$212,333	\$192,259
Total Income	\$1,458,304	\$1,413,561	\$1,243,193	\$1,291,463	\$1,247,097
Salaries/Benefits	\$944,583	\$867,816	\$854,474	\$893,783	\$892,050
Diocesan Pledge	\$294,924	\$248,616	\$178,596	\$179,472	\$152,054
Program & Other	\$279,886	\$263,373	\$197,297	\$211,511	\$202,993
Total Expenses	\$1,519,393	\$1,379,805	\$1,230,367	\$1,284,766	\$1,247,097

Other Facts:

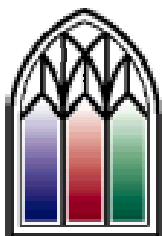
- Salary and Benefits (72% of 2012 Costs) Down 6% from 2008
- Diocesan Pledge (12% of 2012 Costs) Down 48% from 2008
- Program and Other Costs (16% of 2012 Costs) Down 27% from 2008
- **Bottom Line: Since 2008, we have been doing more with less AND balancing our books!**



Breaking Down Expenses: Mission Look

To better assess spending and its alignment with mission, we allocate expenses (including salary) in four broad categories:

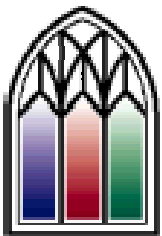
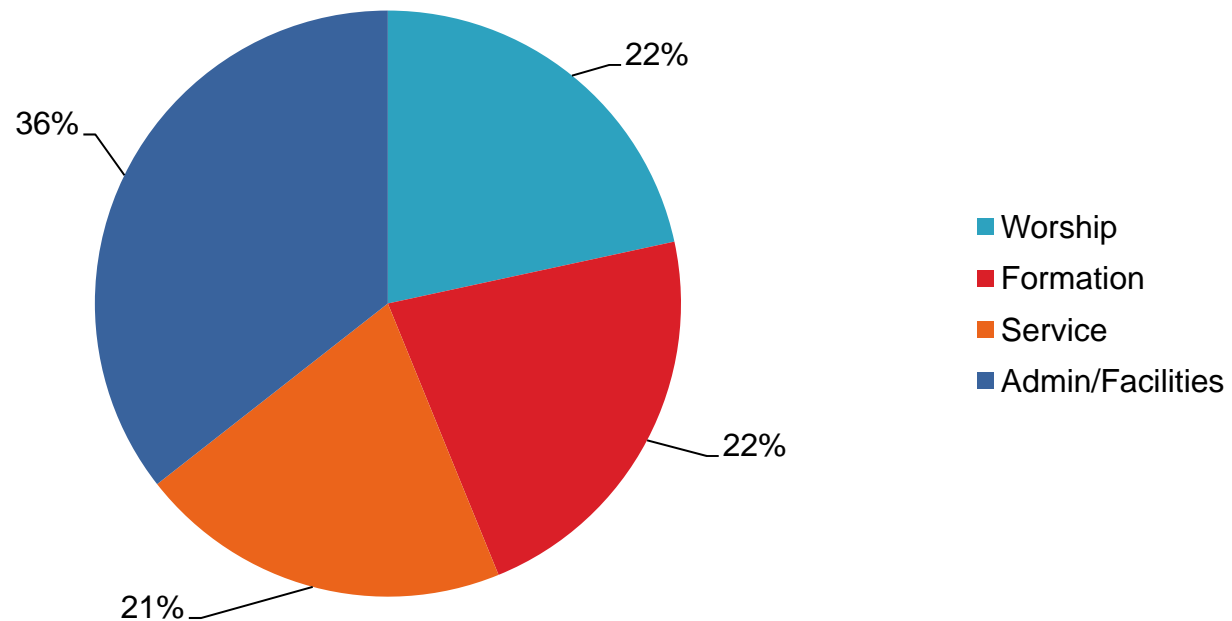
- **Worship:** Music, preaching and worship, other worship service elements
- **Formation:** Hospitality/events, children's programs, youth programs, adult formation initiatives
- **Service:** Pastoral care, evangelism, newcomers activities, community connections, diocesan pledge and programs, diocesan relations
- **Administration/Facilities:** Facilities, assets, office equipment, finance, fundraising, executive leadership, marketing, communication, IT, general office administration and management



Total Expenses by Broad Category

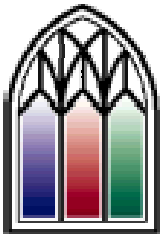
Likewise, we break out total expenses by category to assure alignment with our mission.

Total Expenses by Broad Category



Total Expenses as You'd Experience Them

Expense Category	People	Direct	Total
Facilities	\$102,900	\$119,300	\$222,200
Diocesan Work (Inc Pledge)	\$5,300	\$152,100	\$157,400
Worship	\$136,600	\$4,800	\$141,400
Music	\$128,900	\$4,300	\$133,200
Children's Ministry	\$123,600	\$5,700	\$129,300
IT/Communications/Marketing	\$63,400	\$24,700	\$88,100
Pastoral Care	\$82,700	\$1,600	\$84,300
Junior and Senior High Ministry	\$68,600	\$6,200	\$74,800
General Office and Administration	\$47,300	\$19,300	\$66,600
Adult Ministry	\$47,400	\$6,000	\$53,400
Finance	\$33,100	\$1,200	\$34,300
Events/Hospitality	\$17,200	\$4,400	\$21,600
Executive Leadership	\$15,100	\$1,600	\$16,700
Newcomers	\$10,500	\$2,000	\$12,500
Community Relations	\$7,800	\$500	\$8,300
Fundraising	\$1,700	\$1,200	\$2,900
	\$892,000	\$354,800	\$1,246,800



A Note on Budgets (2012-2014)

Improving our Fiscal Management

Finance and Executive Committees identified a number of objectives for our strategic budgeting process. Achieving these puts us on solid footing for years to come.

Accomplished in 2012

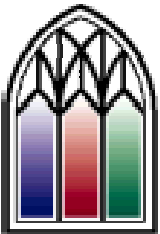
- **Improve use of surpluses** – creating a surplus reserve rather than using these in the immediately subsequent calendar year.
- **Limit our reliance on special gifts** – budgeting only what might come in without an ask (i.e., goodness of the heart levels)
- **Align with evolving diocesan policies** with respect to employee benefits and payment of benefits.

Accomplished by 2014 in Strategic Budget

- **Recognize and value our staff** – via COLA increases, continuing education dollars, etc. (Accomplished only in revenue growth budgets.)
- **Move to a tri-annual audit** as opposed to an annual review. (Accomplished but fully funded in 2014, not funded as Finance would like – 1/3rd per year over 3 years.)

Improved but Not Complete by 2014 in Strategic Budget

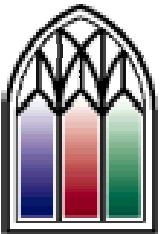
- **Assure Rational and Sufficient Properties Funding**



Budget Reality for 2012

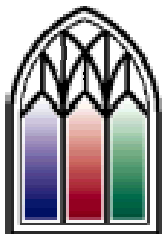
Decreased revenues + **Increased** costs
(5% medical insurance cost increase, 4%
utilities increase) = A need to find places to
cut expenses.

How have we done that for 2012?



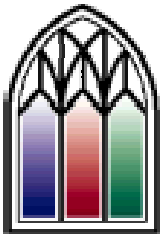
Selected Cuts or Deletions in 2012

- **\$27,000:** ACG Payment – Still a 13% assessment but lower revenue
- **\$14,000:** Cost of Living Increases for Staff – Just 1 of 4 years has been an increase
- **\$7,500:** Contract Musicians and Section Leaders – Fewer rehearsals, strings and brass at Christmas and Easter
- **\$4,000:** Contribution to Property Reserve – Plus continued underfunding of general maintenance.
- **\$3,100:** Adult Ministry Programs
- **\$3,000:** Children's Ministry Programs
- **\$1,800:** Junior and Senior High Ministry Programs

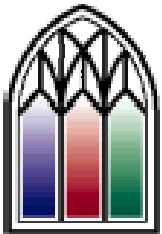


In Summary

- Operated with a surplus for the third consecutive year – first time since '04-'06
- Implemented budget changes to get us on a better footing financially
 - Reducing reliance on special gifts to “goodness of heart” level
 - Reserving surplus rather than putting into 2012 budget
- Getting very good at doing more with less – thanks to our dedicated staff
- **But, we are reaching a key inflection point – either we begin to grow revenues or we'll need to look at re-baselining our services to reflect a “new normal”**
- We need everyone's help. As we celebrate 75 years, let's get started today...

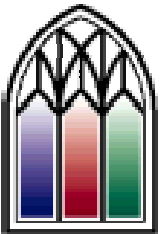


A Look Forward



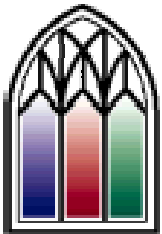
Blessings

- God continues to bless our parish
 - Dedicated clergy, staff, lay leadership and volunteers
 - Providing over 70 worship, formation and service programs to us
- We are blessed with a small surplus in 2011
- And a projected balanced budget in 2012



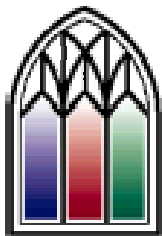
Goals for 2012: Celebrate!

- We will continue celebration of our 75 years serving our community with:
 - Brunch after this meeting
 - Faith and Work Lecture on Saturday, February 4
 - Lenten Sundays “Hospitality of God” Adult Forums
 - Cornerstone Birthday Dinner on Saturday, April 14
 - Cornerstone Worship & Reception on Sunday, April 15
 - All Parish Outreach Project, date to be announced
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 - All Parish Retreat at St. Stephens the weekend of All Saints Sunday



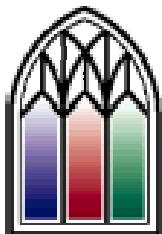
Goals for 2012: Plan for the Future

- We will report on the Discernment Process which will lead us into a Feasibility study
 - Determine if a capital campaign is supportable by parish
 - And, if so, where the parish believes we should invest the capital



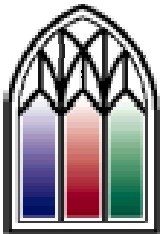
Goals for 2012: Improve Stewardship

- Work on strengthening our stewardship program to make sure our financial resources are in alignment with the programming desires of the parish
 - Down over 2008 levels
 - Salary & Benefits cost are down 6% over 2008
 - Program costs have been cut 27% over 2008
 - We are doing more with less



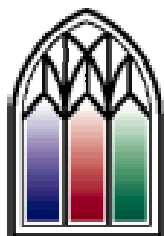
Goals for 2012: Improve Communications

- Increase our productivity by improving communication processes and infrastructure
 - Evaluate the use of communications software, electronic tools and processes
 - With an eye to improving record keeping and connecting with the parish

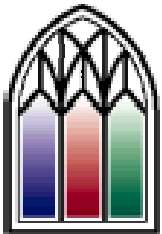


Looking Forward

- Honored to serve as the Junior Warden
- Excited about serving as your Senior Warden and all the great activities, initiatives and events planned for 2012, in addition to the other 70 programs
- Believe that with you commitment and God's help that 2012 will be the beginning of another 75 blessed years for St. Stephens

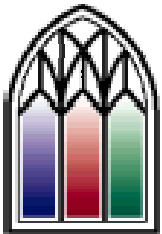


Rector's Remarks, Closing Prayer

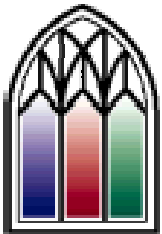


Rector's Cup Past Winners Include

- 2008: Bryan Dowd
- 2009: Sue Jordan
- 2010: Jean Robb
- 2011: Tom Costello



and This Year's Winner Is...



and This Year's Winner Is...

Sarah Kimmelman!!

