

**Recap of St. Thomas Church Annual Meeting
February 18, 2024**

Rector's Address

I want to thank St. Thomas Church volunteers and the Executive Committee for your hard work over the past year. Special thanks to Tim Diller, (Senior Warden) and to Tera Soelter (Junior Warden), who will be concluding their time on the Vestry, and Anne Bentley for her ministry as Parish Treasurer. I look forward to working Kim Malcolm, who is beginning as Senior Warden. I am grateful for our shared ministry, and give thanks to God for all that we have accomplished over the past year. Last year, we acknowledged that we were in a rebuilding season. We used the Annual Meeting to catch our breath and press the pause button. We processed where we were as a church, in comparison to wider church and societal trends. We said that in the coming year we wanted to:

1. Grow spiritually and numerically.
2. Reinvigorate our volunteer-led committees.
3. Work on ensuring our financial health for future generations.
4. And most importantly, thru it all, double down on our mission.

Together we accomplished these goals and grew as a church family. In 2024, we will continue the work of rebuilding. We will continue to build on the strong foundation laid generations ago. We will continue to offer ministries that help us to grow spiritually, as we reach out to our community, inviting them to find their spiritual home with us. And we will continue to double down on our mission as we learn to continue to trust God in this season of rebuilding. For those who trust in God, “are like trees planted by streams of water, which yield their fruit in its season, and their leaves do not wither. In all that they do, they prosper.” Psalm 1:3.

—The Rev. Liz Costello, Rector

From the Senior Warden

I want express my appreciation for the opportunity to serve as Senior Warden this past year. Highlights of the year included hiring new clergy and staff, balancing the budget, and welcoming new members into our midst. Also meaningful to me was the deeper relationships forged with our Vestry, and with Tera Soelter (Junior Warden), Anne Bentley (Treasurer) and Mother Liz. Together we were able to accomplish much.

I also express gratitude for Mother Liz's leadership as Rector. I admire her perseverance when faced with challenges provided by building a new parish office team (clergy and staff), and leaning into her role during her first year with us. Through her spiritual leadership, I believe we continued to embrace the values outlined in the Strategic Map for 2020: Welcoming All, Seeking God, Serving Faithfully, and Building Community. These values have sustained the parish through challenges and change, and I am confident of our ability to embrace the future as a welcoming and caring faith community.

Looking ahead to 2024, the Executive Committee sees opportunities for us to continue:

- 1) Experiencing the blessings of our clergy and staff as their unique gifts become more fully revealed as they grow into their respective roles,
- 2) Finding the equilibrium of financial resources, staffing, and programming,
- 3) Embracing the work of outreach and evangelism,
- 4) Living more fully into our shared mission with St. Thomas School, and
- 5) Setting a course for sustainability through re-examining our approach to stewardship, finding ways to grow our endowment, and addressing clergy housing challenges.

Lastly, thank you to Kim Malcolm for accepting the call to be Senior Warden in the coming year. I am confident you and the new Vestry will pick up where we left off, and the shared love and passion for the Church will serve you and all of us well.

—Tim Diller, Senior Warden

From the Junior Warden

Looking Back at 2023

It was a very busy year for the Buildings and Grounds Committee. The Committee was formed in June. 27 issues were identified at the time; by the end of the year 60 issues had been identified and 27 resolved.

Our Focus for 2024

The initial focus is to make sure the Church is warm, and the basement is dry. There is good progress on both issues. The new boiler is expected to arrive in Seattle the week of February 19th and be installed shortly thereafter. Thanks to the generous donors who helped fund these expenditures. Progress is also being made on the water issue in the basement. Several other projects are planned for 2024. A few of those include:

- Repairing stucco on the Ebsworth Life Center
- Repairing and re-painting the gates to the Columbarium
- Repainting the south side of the Ebsworth Life Center and walkway
- Continuing to address audio issues in the church building
- Installing the new stained-glass windows purchased in recent campaigns.

A reminder was offered that the Ebsworth Life Center is 10 years old (this year) and the Church was built 71 years ago (this year), with major renovations completed recently.

I wanted to extend special thanks to the following people:

To Mark Nelson as Chair of the Committee – His leadership, expertise and knowledge of the campus are invaluable. We couldn't do this without him.

To Lisalynn Reed – In addition to everything else she does, Lisalynn works with vendors, lets them in, and keeps us all apprised of who is doing what and when.

To Kevin and Velvet – Kevin finds and deals with the issues until we can get them resolved. He's been known to bail out water from the basement at 2 in the morning - on multiple occasions, and deserves special thanks for all his work on this campus.

To all other members of the Committee, who each bring their own special talents and background to each situation. They include:

- Fred McConkey
- Mike Allert
- Jerry Livingston
- Jerry Angelo
- Sheila Justus
- Haynes Lund
- Lisa Viereck-Breckenridge

Let the committee know if you see issues that need to be addressed—we'll be glad to add them to the list! Also, don't hesitate to reach out if you have questions, or if you have an interest in making a donation to the work this team is doing.

—Tera Soelter, Junior Warden

From the Treasurer

I am pleased to report that the financial position of St. Thomas is still in great shape thanks to the continued faithful support of our community and careful stewardship of our resources, although we do still have some big financial hurdles ahead. Twelve months ago, we started the year with a deficit of \$359,000 anticipated in our budget that would have to be funded largely from our reserves. In fact, we ended the year with a small net income and have not used any of our operating reserves in 2023.

Our total operating revenue for the year was approximately \$1.4M, down from \$1.6M in 2022. Pledge Revenues of \$804,000 for the year are the most significant source of funding for the church and represent 57% of the total revenue. Pledge Revenues were down by about \$400,000 from last year, which reflects the final \$325,000 pledge that we had received from the Ebsworth Estate in 2022. Excluding that, our operating pledges still declined by about 10% year to year. Non-pledge contributions were \$347,000, more than double the comparable amount in 2022. We are so thankful for the generosity of this community and those who have given so faithfully to support St. Thomas.

We continue to focus on controlling costs. In 2023 we were able to save almost \$90,000 net from our initial budget expectations, some of which resulted from a longer than anticipated time to complete hiring the new team, thus payroll and other expenses were deferred. As a result, net income for the parish in 2023 was around \$20,000.

Bank and investment balances at the end of year total around \$1.3M of which a little over \$1M is in the operating reserve. Before year end, we received approx. \$103,000 of prepaid operating pledges

for 2024, in addition to the prepayments of \$30,000 for several of the stained-glass windows. We have approx. \$15M invested in real property, and the church currently has no outstanding debt.

Annual Operating Fund Pledge Campaign & Financial Plan for Mission

The recently approved Financial Plan for Mission for 2024 shows an operating deficit of \$358,000. Our 2024 operating pledges received to date are \$839,000 compared to \$795,000 for last year. Despite this improvement over last year, total revenues of \$1.25M reflect a decrease of about 12% from 2023 actual results, as we cannot anticipate donations continuing at the levels of 2023.

We now have a full clergy and staff team in place, and with a complete year of the full payroll cost, we expect expenses will increase by about 13% over 2023. In addition, as Tera mentioned, there are a number of ongoing lifecycle maintenance items that need to be addressed on our campus. We have established an estimate for \$55,000 to help address these issues in other expense. The Financial Plan for Mission that has been approved for 2024 once again reflects the challenges and opportunities of our current situation.

Deficit Challenge

The Vestry has approved another bold budget to enable us to continue to build on the momentum that Mother Liz and Tim spoke of. But, in order to be sustainable in the longer term and to return to break even in the next year or so we need to rise to the deficit challenge; we need to broaden our membership and pledging base and identify other ways to generate funding, such as increasing the endowments; at the same time ensuring that our expenses are controlled and match the level of programming that is sustainable.

—Anne Bentley, Treasurer