

The Episcopal Diocese of Western Massachusetts

Memorandum

To: Delegates to the 117th Diocesan Convention
From: Steven P. Abdow, Canon for Mission Resources
Subject: Plan for Use of Diocesan Resources in 2019
Date: October 1, 2018

On behalf of Bishop Fisher and Diocesan Council I am pleased to present the proposed budget for 2019. On the day of Diocesan Convention I will be available to answer any questions you have about this plan. Additionally, I invite you to contact me directly with any questions or comments. I can be reached at sabdow@diocesewma.org or 413-417-2414.

The Bishop and Diocesan leadership have identified the following goals for the Episcopacy at this time:

- Developing and supporting transformational lay and clergy leaders
- Engaging congregations in processes of honest, healthy self-assessment and renewal
- Encouraging inter-diocesan, ecumenical, and interfaith partnerships in congregations and the Bishop's office
- Providing opportunities for clergy to gather for support and networking
- Committing to Social Justice issues (moving from idea to ministry to a movement)
- Encouraging and supporting new initiatives in ministry

Our objective is to present a budget that is aligned with our goals and mission which best utilizes our available resources. 53% of the budget is for payroll and personnel related expenses. The work of the bishop's office is relational and highly dependent on personnel, and we feel that this ratio is appropriate to accomplish the mission.

Services provided by the Administrative Offices of the Diocese to the congregations are payroll and benefits administration, transition ministry support, Congregational development coaching and direction. The ministry of the bishop includes parish visitations, confirmations, ordinations, and representation at the house of Bishops and other communion wide work. Included in the budget is the cost of the diocese convention, clergy conferences, and diocesan wide leadership development events.

31% of the budget goes back out for outreach, to our congregations, and to support non-parochial ministries within our diocese. Attached to this document you will find detail on

the Diocese Outreach and Ministry budget for 2019 consisting of projects and programs that are outreach to our congregations, our communities, and our world.

Notes:

The categories of the budget in 2019 have been altered from last year. We added the category of Governance, which we feel more accurately describes the operation of the Bishop's Office.

We are blessed to have the financial resources available to do our work and carry on Jesus's mission of mercy, compassion and hope in the world.

Revenues

- Revenue is projected to be just \$12,000 less than 2018 at \$2.713 million.
- \$100,000 is from the balance of the Fanning the Flames initiative.
- Internal grants from Bishop's Funds and Fanning the Flames have been eliminated.
- The budget income for Walking Together and Building Bridges is eliminated as those programs will be on the budget for the Episcopal Charities entity.

Expenses

- Total Expenses for 2019 are just \$10,000 less than in 2018 at the same \$2.7 million figure that we see on the revenue line.
- We have budgeted for a 6% increase in health insurance expenses and have budgeted for salary increases in the 2-3% range.
- Our single largest expense is our apportionment to TEC of \$350,000.

Personnel changes

- Canon for Mission Resources compensation gets split up 65/35 between the Diocesan Budget and the soon to be established charitable/fundraising entity.
- FT Missioner for Latino Ministries gets paid 100% out of Diocese budget. Last year the compensation came out of FTF.
- In the financial services team, one FT staff person is retiring, another is reducing their schedule to 80% of FT, and we have hired a Controller for 25 hours/week. The impact on the budget is neutral.
- There are questions about the continued service of two of our PT missioners. They are in the budget for 2019, but may be transitioning out of their positions.

Highlights

- MDI grant budget stays the same at \$80K
- Global Mission grants stay at \$25K
- Sustainable Development Goals stays at \$20,000 (currently directed to ER&D)
- \$35K budgeted for Latino Ministry program expenses
- Ecumenical Relations budget stays at \$30K

- Strategic Leadership Development and Formation budget of \$60K (for CF and for the Council Priority Project of training volunteer coaches)
- Outdoor Ministries budget includes \$35,000 for grants to the five communities in our network

New Fundraising Entity (under construction- to be launched in early 2019)

- We realize that revenue in the form of Support for Common Ministry through annual assessments is not increasing. We have ministry start ups in several locations which are thriving and need a sustainable funding source. We made the decision to undertake a major development effort.
- We engaged with a local firm for development consulting over 2018. Extensive work has been done and we are ready to move ahead with the work of having a sustainable funding strategy for our ministries in communities that are connecting with and serving vulnerable populations.
- Building Bridges and Walking Together budgets move in entirety to the budget of the new fundraising entity.
- 35% of the Canon for Mission Resources' compensation will come out of the new entity.
- The plan is to fund the new entity in 2019 with \$100,000 from Bishop's Funds and ~\$150,000 from the Strategic Ministry Reserve (the accumulated assets of closed churches). The allocation will be used to pay the entity's expenses above what comes in through development efforts.
- The entity will receive regular oversight from the Diocesan Council.
- Fundraising and Grant writing start in earnest in 2019 with a goal of \$100,000 the first year.

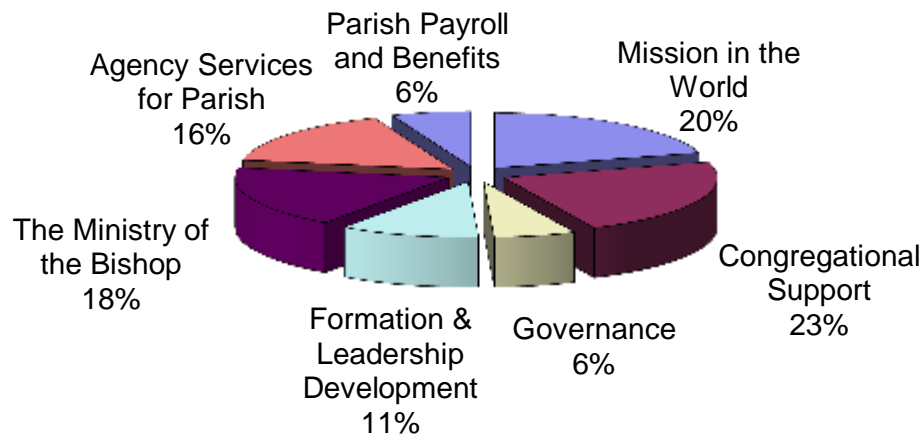
Fanning the Flames

- At the end of 2018 we will have spent \$800K of the \$1 million.
- We propose transferring \$100,000 of the remaining balance to the Diocesan Budget to be used to help fund the Missioner for Latino Ministry. This position was funded out of FTF in 2018. The \$100,000 transfer to the budget would be to help with the transition of adding that new, FT position.
- We have obligations of \$70,000 scheduled out of that FTF fund in 2019. The last \$30,000 in potential distribution is up in the air at this time.

Members of Diocesan Council: The Rt. Rev. Doug Fisher, the Rev. Janet Zimmerman and Mr. John Cheek (Berkshire Corridor), Ms. Janet Walsh Young, the Rev. Heather Blais, Ms. Donna Christian, and the Rev. Derrick Fetz (Valley Corridor), Richard Delorme, Mark Rogers, the Rev. Jose Reyes and the Rev. Jesse Abell (Worcester Corridor), the Rev. Nancy Webb Stroud (Vice President of Council), the Rev. William (Mac) Murray (Secretary to Convention), Mr. Frank Minasian (Trustee Representative)

Members of the Budget and Financial Planning Committee: Wayne Gass, Treasurer (All Saints, South Hadley), Kitty Dougherty (Grace Church, Amherst), Mick Kalber (Holy Trinity, Southbridge), Al Symonds (St. Stephen's, Pittsfield), Mr. Dan Mylott (Christ Church, Fitchburg), the Rev. Dave Woesnner (St. Michael's on the Heights, Worcester), Kendra Macleod (St. Paul's, Stockbridge), The Rev. Heather Blais (Sts. James and Andrew, Greenfield), Moira Miller (Shrewsbury), Steve Abdow (Assistant Treasurer), and Esther Barker (Accounting Manager)

Budget Expenses by Category



Attachments:

One page budget summary

Income/Expense Statement for 2019

2019 Budget for Outreach and Diocesan Ministries

One Page Summary of the Proposed 2019 Budget

	2018 YTD	2018	2019	<u>% of Budget</u>
	Actual	Budget	Proposed Budget	
<i>OPERATING REVENUES</i>				
Assessment for Common Ministry	562,191	1,118,904	1,125,000	41.5%
Use of Investments -- Spending Rule	718,457	1,397,037	1,550,000	57.1%
Program Income	38,119	112,710	28,500	1.1%
Other Income and Gifts	73,075	96,720	9,600	0.4%
<u>Interest Income</u>	<u>135</u>	<u>600</u>	<u>400</u>	0.0%
TOTAL REVENUES FOR DIOCESAN OPERATIONS	1,391,977	2,725,971	2,713,500	100.0%
<i>OPERATING EXPENSES</i>				
Mission in the World	366,810	698,083	556,374	20.5%
Congregational Support	274,552	516,057	611,626	22.5%
Formation & Leadership Development	132,194	255,564	287,388	10.6%
The Ministry of the Bishop	257,913	452,851	486,880	17.9%
Governance	80,764	201,651	167,545	6.2%
Administration and Finance	214,683	424,267	440,712	16.2%
<u>Parish Payroll and Benefits</u>	<u>94,552</u>	<u>176,154</u>	<u>163,223</u>	6.0%
TOTAL OPERATING EXPENSE	1,421,468	2,724,627	2,713,748	100.0%
SURPLUS/(DEFICIT)	(29,491)	1,344	(248)	

The Episcopal Diocese of Western Massachusetts

Proposed 2019 Budget

	YTD Actual Jun-2018	2018 ANNUAL BUDGET	2019 PROPOSED BUDGET
REVENUES			
Assessment for Common Ministry	\$562,191.00	\$1,118,904.00	\$1,125,000.00
Use of Investment - Trustees	\$718,457.50	\$1,397,037.00	\$1,550,000.00
Program Income	\$38,119.86	\$112,710.00	\$28,500.00
Other Income and Gifts	\$44,824.89	\$42,720.00	\$9,600.00
Internal Grant Funding	\$28,250.22	\$54,000.00	\$0.00
Interest Income	\$135.48	\$600.00	\$400.00
TOTAL DIOCESAN INCOME AND GIFTS:	\$1,391,978.95	\$2,725,971.00	\$2,713,500.00

YTD Actual
Jun-2018

2018 ANNUAL
BUDGET

2019 PROPOSED
BUDGET

EXPENSES

BISHOP'S MINISTRY

PROGRAMS		YTD Actual Jun-2018	2018 ANNUAL BUDGET	2019 PROPOSED BUDGET
Communications		\$63,312.26	\$117,043.00	\$123,792.79
Social Justice		\$1,830.85	\$3,750.00	\$2,750.00
Retired Clergy Gatherings		\$2,714.69	\$0.00	\$2,500.00
Special Diocesan Events		\$17,017.97	\$0.00	\$2,500.00
Total PROGRAMS		<u>\$84,877.77</u>	<u>\$123,793.00</u>	<u>\$131,542.79</u>
PERSONNEL EXPENSES		YTD Actual Jun-2018	2018 ANNUAL BUDGET	2019 PROPOSED BUDGET
Wages and Benefits		\$155,130.89	\$298,960.00	\$324,129.86
Business Expenses		\$17,904.50	\$30,098.00	\$31,207.56
Total PERSONNEL EXPENSES		<u>\$173,035.39</u>	<u>\$329,058.00</u>	<u>\$355,337.42</u>
TOTAL BISHOP'S MINISTRY		<u>\$257,913.16</u>	<u>\$452,851.00</u>	<u>\$486,880.21</u>

YTD Actual
Jun-2018

2018 ANNUAL
BUDGET

2019 PROPOSED
BUDGET

CONGREGATIONAL SUPPORT: Mission with Congregations

GRANTS and SCHOLARSHIPS

Clergy Children Educational Grants	\$3,000.00	\$6,000.00	\$6,000.00
College Scholarships	\$22,214.50	\$42,500.00	\$42,700.00
Continuing Education Grants	\$566.00	\$4,000.00	\$4,000.00
Deanery	\$731.50	\$2,600.00	\$2,600.00
Ministry Development Initiatives	\$60,765.00	\$80,000.00	\$75,000.00
Sabbatical Grants	\$5,628.39	\$5,000.00	\$5,000.00

Total GRANTS and SCHOLARSHIPS	\$92,905.39	\$140,100.00	\$135,300.00
--------------------------------------	--------------------	---------------------	---------------------

OPERATIONAL EXPENSES

Special Assistance to Congregations	\$9,687.50	\$5,000.00	\$5,000.00
Transition Ministry	\$2,758.22	\$4,750.00	\$4,850.00
Christian Formation Missioner	\$17,059.90	\$65,760.00	\$53,437.03
Latino Ministries	\$32,049.90	\$42,000.00	\$155,657.24
Safe Church Training and Prevention	\$2,173.34	\$4,450.00	\$4,200.00
Stewardship	\$1,326.00	\$14,700.00	\$11,450.00
Youth Ministry	\$11,438.84	\$32,934.00	\$25,574.63

Total Operational Expenses	\$64,047.98	\$159,844.00	\$250,318.91
-----------------------------------	--------------------	---------------------	---------------------

TOTAL	\$76,493.70	\$169,594.00	\$260,168.91
--------------	--------------------	---------------------	---------------------

PERSONNEL EXPENSES

Wages and Benefits	\$99,999.97	\$196,270.00	\$207,563.99
Business Expense	\$5,152.56	\$10,093.00	\$8,593.12

TOTAL PERSONNEL EXPENSES	\$105,152.53	\$206,363.00	\$216,157.11
---------------------------------	---------------------	---------------------	---------------------

TOTAL CONGREGATIONAL SUPPORT	\$274,551.62	\$516,057.00	\$611,626.01
-------------------------------------	---------------------	---------------------	---------------------

YTD Actual
Jun-2018

2018 ANNUAL
BUDGET

2019 PROPOSED
BUDGET

FORMATION & LEADERSHIP DEVELOPMENT for the Baptized

OPERATIONAL EXPENSES

David Allen Seminars	\$2,119.45	\$0.00	\$0.00
Education for Ministry	\$2,575.00	\$4,900.00	\$1,750.00
Parish Leadership Day	\$6,730.64	\$9,950.00	\$10,600.00
Formation and Leadership Development	\$2,621.41	\$6,500.00	\$47,500.00
Clergy Conferences	\$15,898.43	\$20,900.00	\$17,650.00
Commision on Ministry	\$1,414.15	\$4,500.00	\$3,750.00
Diaconate Formation	\$825.60	\$3,600.00	\$0.00
Fresh Start	\$593.27	\$3,950.00	\$2,900.00
Seminarian Assistance	\$857.00	\$12,500.00	\$6,000.00
TOTAL OPERATIONAL EXPENSES	\$33,634.95	\$66,800.00	\$90,150.00

PERSONNEL EXPENSES

Wages and Benefits	\$89,919.87	\$177,665.00	\$187,017.74
Business Expense	\$8,639.48	\$11,099.00	\$10,220.20
TOTAL PERSONNEL EXPENSES	\$98,559.35	\$188,764.00	\$197,237.94

TOTAL LEADERSHIP DEVELOPMENT	\$132,194.30	\$255,564.00	\$287,387.94
-------------------------------------	---------------------	---------------------	---------------------

YTD Actual
Jun-2018

2018 ANNUAL
BUDGET

2019 PROPOSED
BUDGET

MISSION IN THE WORLD

OPERATIONAL EXPENSES

Anglican Communion Partners	\$0.00	\$2,500.00	\$2,500.00
Outdoor Worship Communities			
Wages and Benefits	\$39,526.37	\$77,279.00	\$54,107.96
Business Expenses	\$5,000.00	\$10,000.00	\$36,000.00
Total Outdoor Worship Communities	\$44,526.37	\$87,279.00	\$90,107.96
Creation Care	\$18,852.16	\$35,288.00	\$38,220.00
Ecumenical Relations			
Berkshire Organizing Project	\$1,250.00	\$2,500.00	\$3,500.00
Ecumenical Officer	\$1,669.03	\$2,250.00	\$0.00
Interfaith Council	\$350.00	\$300.00	\$350.00
Mass Council of Churches	\$7,500.00	\$15,000.00	\$15,000.00
Province One	\$7,374.52	\$9,749.00	\$9,749.00
Total Ecumenical Relations	\$18,143.55	\$29,799.00	\$28,599.00
The Episcopal Church Apportionment	\$171,415.50	\$342,831.00	\$349,947.00
Global Mission	\$3,659.97	\$25,000.00	\$25,000.00
Lambeth	\$999.96	\$2,000.00	\$2,000.00
Sustainable Development Goals	\$9,436.00	\$18,872.00	\$20,000.00
TOTAL MISSION IN THE WORLD	\$366,810.26	\$698,082.64	\$556,373.96

YTD Actual
Jun-2018

2018 ANNUAL
BUDGET

2019 PROPOSED
BUDGET

GOVERNANCE

OPERATIONAL EXPENSES

Chancellor's Conference		\$22,491.57	\$45,250.00	\$43,000.00
Diocesan Convention				
	Wages and Benefits	\$3,843.72	\$8,615.00	\$6,500.00
	Business Expenses	\$98.50	\$33,850.00	\$24,850.00
	Total Diocesan Convention	<u>\$3,942.22</u>	<u>\$42,465.00</u>	<u>\$31,350.00</u>
Diocesan Council		\$1,809.52	\$1,400.00	\$2,700.00
General Convention		(\$556.00)	\$15,000.00	\$15,000.00
House of Bishops		\$2,235.37	\$7,000.00	\$6,500.00
Retired Clergy and Lay Support		\$29,403.20	\$88,036.00	\$66,495.00
Standing Committee		\$28.24	\$500.00	\$500.00
Title IV		\$21,410.06	\$2,000.00	\$2,000.00
	TOTAL GOVERNANCE	<u>\$80,764.18</u>	<u>\$201,651.00</u>	<u>\$167,545.00</u>

YTD Actual
Jun-2018

2018 ANNUAL
BUDGET

2019 PROPOSED
BUDGET

DIOCESAN FINANCE & ADMINISTRATION EXPENSES

ARCHIVE EXPENSES

Wages and Benefits	\$3,150.39	\$6,351.00	\$6,499.52
Business Expenses	\$146.06	\$580.00	\$580.00
TOTAL ARCHIVE EXPENSES	\$3,296.45	\$6,931.00	\$7,079.52

OPERATIONAL EXPENSES

Financial Management	\$9,210.11	\$29,600.00	\$34,250.00
Property - Plant	\$62,608.66	\$111,902.00	\$114,214.54
General Operations	\$14,968.41	\$30,630.00	\$30,450.00
TOTAL OPERATIONAL EXPENSES	\$86,787.18	\$172,132.00	\$178,914.54

PERSONNEL EXPENSES

Wages and Benefits	\$119,536.62	\$235,609.00	\$244,072.62
Business Expenses	\$5,062.38	\$9,595.00	\$10,645.00
TOTAL PERSONNEL EXPENSES	\$124,599.00	\$245,204.00	\$254,717.62

TOTAL DIOCESAN FINANCE & ADMINISTRATION EXPENSES	\$214,682.63	\$424,267.00	\$440,711.67
---	---------------------	---------------------	---------------------

DIOCESAN AGENCY EXPENSES FOR CONGREGATION SUPPORT

OPERATIONAL EXPENSES	\$7,056.66	\$10,214.00	\$13,150.00
-----------------------------	-------------------	--------------------	--------------------

PERSONNEL EXPENSES

Wages and Benefits	\$87,355.74	\$163,440.00	\$147,873.12
Business Expenses	\$140.00	\$2,500.00	\$2,200.00
TOTAL PERSONNEL EXPENSES	\$87,495.74	\$165,940.00	\$150,073.12

TOTAL DIOCESAN AGENCY EXPENSES	\$94,552.40	\$176,154.00	\$163,223.12
---------------------------------------	--------------------	---------------------	---------------------

TOTAL EXPENSES	\$1,421,468.55	\$2,724,626.64	\$2,713,747.91
-----------------------	-----------------------	-----------------------	-----------------------

NET Income (Loss)	(\$29,489.60)	\$1,344.36	(\$247.91)
--------------------------	----------------------	-------------------	-------------------

2019 Budget for Outreach and Diocesan Ministry

	<i>2017 Actual</i>	<i>2018 Budget</i>	<i>2019 Proposed Budget</i>	<i>% of 2018 budget</i>
<u>TOTAL DIOCESAN INCOME AND GIFTS:</u>	<u>\$2,627,909</u>	<u>\$2,695,972</u>	<u>\$2,713,500</u>	
<u>EXPENSES FOR OUTREACH</u>				
<u>APPORTIONMENT TO THE EPISCOPAL CHURCH</u>	\$329,452	\$342,831	\$349,947	12.72%
<u>SUSTAINABLE DEVELOPMENT GOALS: All goes to ER&D</u>	\$18,378	\$18,872	\$20,000	0.70%
<u>ECUMENICAL RELATIONS</u>				
Province One	\$9,749	\$9,749	\$9,749	
Interfaith Council	\$300	\$300	\$350	
Mass Council of Churches	\$12,500	\$15,000	\$15,000	
Berkshire Interfaith Organizing	\$2,500	\$2,500	\$3,500	
SUBTOTAL ECUMENICAL RELATIONS:	\$25,049	\$27,549	\$28,599	1.02%
<u>GLOBAL MISSION GRANTS:</u>	\$25,500	\$25,000	\$25,000	0.93%
Diocesan Global Mission Grants fund short-term mission trips, supports our long-term missionaries, various projects from diocesan congregations, and our companion diocese of Kumasi in Ghana.				
<u>VETERAN'S MINISTRY</u>	\$86,160	\$82,462	\$105,000	3.06%
http://www.buildingbridgeswma.com/				
<u>WALKING TOGETHER</u>	\$78,685	\$71,710	\$90,000	2.66%
A Ministry of Presence in Southeast Worcester				
<u>CREATION CARE</u>	\$35,031	\$35,288	\$38,220	1.31%
https://www.diocesewma.org/vision-ministry-statements/creation-care/				
<u>OUTDOOR WORSHIP COMMUNITIES</u>	\$67,000	\$87,280	\$90,107	3.24%
A network of communities founded in the radical tradition of Jesus, creating a space where people can come to know the joy and freedom of being God's beloved.				
<u>GRANTS TO PARISHES</u>				
Ministry Development Grants	\$85,000	\$80,000	\$75,000	
College Scholarships (Bement Waterfield)	\$42,500	\$42,500	\$42,500	
Continuing Education Grants	\$3,000	\$4,000	\$4,000	
Sabbatical Grants	\$4,000	\$5,000	\$5,000	
SUBTOTAL GRANTS TO PARISHES	\$134,500	\$131,500	\$126,500	4.88%
	\$799,755.00	\$822,491.89	\$873,373.00	30.51%