

St. Mark Lutheran – West Henrietta

Congregational Update

Sept 2011



Agenda

- **Nominations**
- **Quick update**
- **Preschool Update**
- **Stewardship**



Nominations





A Vision for St. Mark

- **We are a multi-generational community congregation that:**
 - Teaches the apostolic faith
 - Encourages growth and depth in that faith
 - Actively engages in the great commission

- **You've seen that more recently as the sentence**
 - “A community congregation that teaches, grows and engages the Faith”



“Multi-Generational Community Congregation”

	2010 Census Zip Code 14586	2000 Census Zip Code 14586	Active Roster	Attendance 2011	Attendance 2010	Attendance 2009
Age Bracket						
<18	26.9%	19.1%	23.6%	15.8%	20.3%	19.4%
19-34	26.7%	34.3%	18.1%	10.1%	8.7%	6.1%
35-49	22.9%	19.7%	13.4%	12.8%	12.4%	15.3%
50-64	16.0%	16.3%	22.8%	31.4%	28.4%	20.8%
65+	7.4%	10.6%	22.0%	29.8%	30.3%	38.5%

- **Look at what is happening to 14586 (W. Hen.) in new Census Data recently released**
- **Active Roster = “anyone attending in last year”**
- **Attendance more reflective of Roster; Roster more reflective of community**
- **Making progress in the vision of being Multi-generational**



Congregational Size

Explore the Data: Wave 2 - 2006/07

Number of regular attendees including children				
Response	Frequency	Percent	Valid Percent	Cumulative Percent
5 to 49	469	31.1	31.2	31.2
50 to 99	368	24.4	24.5	55.7
100 to 249	426	28.3	28.4	84.1
250 to 499	140	9.3	9.3	93.4
500 to 999	52	3.4	3.5	96.9
1,000 to 2,499	35	2.3	2.3	99.2
2,500 to 4,999	9	.6	.6	99.8
5,000 to 9,999	2	.1	.1	100.0
10,000 or more	0	.0	.0	100.0
Missing	5	.3		

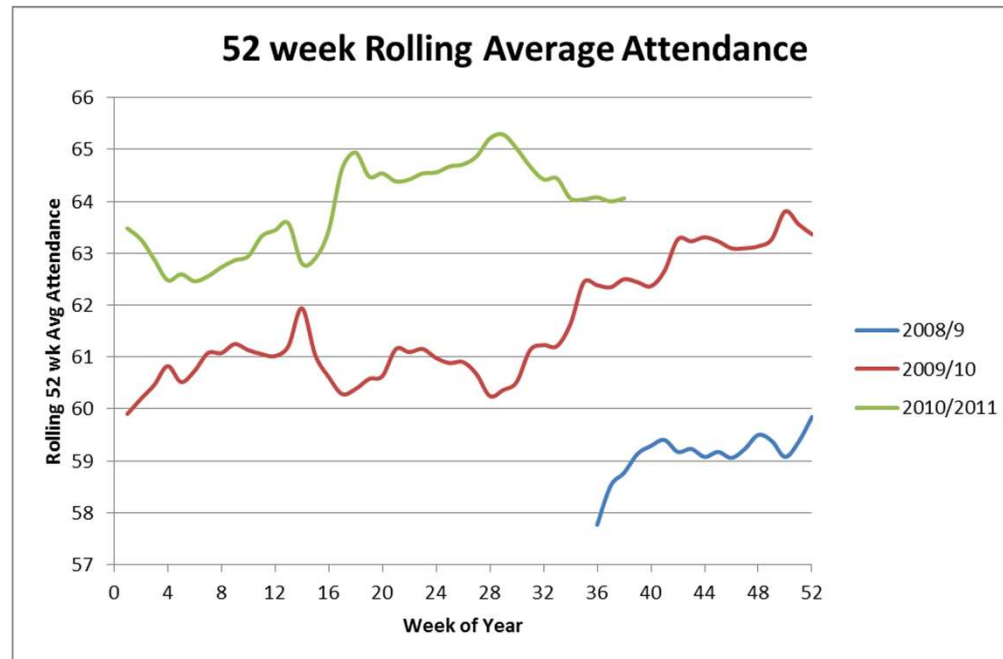
NOTE: this table reflects the number of congregations.

- **Median Congregational size in the US is 75 in attendance**

Source: National Congregation Study (Duke University)



Attendance – St. Mark



- **Rolling Average = average of prior 52 wks attendance**
- **Current RA attendance = 64**
- **First RA in Sept 2009 = 56 (First time I had 52 wks of data)**
- **Avg Attendance Sept 2008 = 41; So far Sept 2011 = 66**



Other Recent Highlights

- **“Teaches the Faith”**
 - Confirmation class completed which has included continued attendance of some confirmed
 - Expanded Sunday School from two to three classes; get story bible in hands of every child and parent
 - Continuing Preschool mission
 - Recording and podcasting of core part of service (lessons, Sermon Hymn, Sermon)
- **Growth & Depth**
 - Altar Guild reformed/Sacristy renovation underway
 - Thursday Bible Study growing/ “One Thousand Gifts”
 - Children’s choir back from summer break



Preschool Update – From Feb 2010





Preschool Update – From Feb 2010

	2010/2011	2011/2012	2012/2013	2013/2014	2015/2016
Revenue/Child Half Day	\$ 400	\$ 500	\$ 550	\$ 600	\$ 650
\$/hr instruction	\$ 4.00	\$ 5.00	\$ 5.50	\$ 6.00	\$ 6.50
Max Child Half Days	70	140	140	140	140
% of Max	80%	60%	70%	70%	80%
Child Half-Days	56	84	98	98	112
Half-Days	1	2	2	2	2
#kids/Half-day	11.2	8.4	9.8	9.8	11.2
Max Revenue	\$ 28,000	\$ 70,000	\$ 77,000	\$ 84,000	\$ 91,000
Projected Revenue	\$ 22,400	\$ 42,000	\$ 53,900	\$ 58,800	\$ 72,800

- Prices are increased over current and ramped to competitive rates; currently we are well below a competitive price range
- The max number of children in a class is a state regulation.
- We have assumed a percentage of the max slots that the team considered realistic



Preschool Update – From Feb 2010

	2010/2011	2011/2012	2012/2013	2013/2014	2015/2016	
Playground	\$ 5,000					
Materials	\$ 1,000	\$ 500	\$ 500	\$ 500	\$ 500	
Room Divider/Cabinets		\$ 3,500				
Advertising	\$ 1,200	\$ 2,400	\$ 2,400	\$ 2,400	\$ 2,400	
Called Teacher		\$ 41,854	\$ 43,470	\$ 45,163	\$ 46,938	
Salary		\$ 30,000	\$ 30,900	\$ 31,827	\$ 32,782	3%
Medical		\$ 7,204	\$ 7,780	\$ 8,403	\$ 9,075	8%
FICA		\$ 2,250	\$ 2,318	\$ 2,387	\$ 2,459	
Retirement		\$ 2,400	\$ 2,472	\$ 2,546	\$ 2,623	
Total	\$ 7,200	\$ 48,254	\$ 46,370	\$ 48,063	\$ 49,838	

- **Build playground next school year (summer?) ; estimate from E.Tritsch for simple one we install**
- **Replace classroom materials and continue to refresh**
- **Fix/remove/replace room divider**
- **Increase advertising – budget amount based on MPB estimates of \$400/direct mailing (6 times/yr)**
- **Called Teacher – MPB estimates based on starting teacher pay with benefits (assumed single)**
 - RH school district starting wage for a teacher is \$36,500 + benefits, you get what you pay for is a good adage to keep in mind when hiring



Preschool Update – From Feb 2010

	2010/2011	2011/2012	2012/2013	2013/2014	2015/2016	Total
Projected Revenue	\$ 22,400	\$ 42,000	\$ 53,900	\$ 58,800	\$ 72,800	\$249,900
Current Costs	\$ 22,400	\$ 22,400				\$ 44,800
Incremental costs	\$ 7,200	\$ 48,254	\$ 46,370	\$ 48,063	\$ 49,838	\$199,725
Total Cost	\$ 29,600	\$ 70,654	\$ 46,370	\$ 48,063	\$ 49,838	\$244,525
Gross Profit	\$ (7,200)	\$ (28,654)	\$ 7,530	\$ 10,737	\$ 22,962	\$ 5,375

- **Assumed current costs = 1st year revenue (Steady State As-Is management); continue through 2011/2012**
- **Over 2 school years congregation invests ~\$33K beyond revenue, but that would be spread over 3 calendar years with major expense (hiring teacher) not done until late in 2nd calendar year – cash flow plus – net is school asking for \$11K/yr for three years of investment**
- **Assuming success at filling spots, the preschool returns to profitability easily, and congregation could expect 3 year payback**
- **Note – might need more expense to hire aids in final three years**
- **In primary transition year, the called teacher would be under-utilized (or could be used at other functions)**
- **Suggest funding part of the \$11K/yr from the \$4K budgeted for other outreach and taking some from the district number (\$5.1K)**



Preschool Update

	2009/2010	2010/2011	2011/2012	2012/2013
Projected (Feb 2010)				
Price (\$/HD)		\$ 400	\$ 500	\$ 550
Enrollment (FTE)		11	16	20
Actual (Today)				
Price (\$/HD)	\$ 300	\$ 300	\$ 400	TBD
Enrollment (FTE)	8	5	3	TBD
Cost Projected (Feb 2010)				
	\$ (7,000)	\$ (28,654)	\$ 7,530	
Cost - New	\$ (5,000)	\$ (36,000)	TBD	

FTE = 1 Child x 1 Half day x 5 days a week

- **We were optimistic in ability to implement immediately in two area**
 - Instead of getting more students last year we continued to decline
 - Full price increase was not implemented last year
- **That rolls into this year**
 - Price is 1 year behind our intended curve
 - Enrollment didn't recover; no 3 yr olds rolled over to 4 yr olds during change



Preschool Update

■ Summary

- We are about 1 year behind our projection and starting from a lower point – in essence rebooting the school
- Consequently we will run in the red for longer than expected
- We have scrapped or alternately sourced non-personnel spending
- Focus from 2011/2012 to 2012/2013 will be on:
 - Recruiting enrollment
 - Expanding the source of parents/kids we can serve
 - Be able to talk to daycare needs
 - 2 yr old program
 - Roll over 3's to 4's



Preschool Update

- **Essentially Rebooting the Preschool**
- **Recruiting Enrollment**
 - Refresh of Website & All marketing materials
 - Full information available at a click
 - Open Houses & Rolling Enrollment; attempt to pick up the odd-duck during the year
 - Other advertising focus on local: Riverton Newsletter, MOMs/MOPs clubs, possible direct mailing
- **Expanding Market we can talk to**
 - Developing solution to offer parents in need of daycare (4 options)
 - Partner – find current daycare to team with, we'd need to solve transportation
 - Home network (keep a list of referrals of people who watch in their homes)
 - Import “Mid-Day/Lunch” – offering morning/afternoon sessions with independent lunch provider who comes in
 - Develop our own solution
 - 2 yr old program/Mom's Day out



Why Stick With It?



- It is part of the vision/mission; “we teach the faith”
- This is where West Hen. (14586) is going in terms of population – “to be engaged in the great commission” requires it
- Healthy churches recognize this (c/r Faith’s \$50,000 investment in facility)
- This is an area that can pay for itself and churches can have a competitive advantage; just need to get to that sweet spot



Which List Would You Rather Be On?

Rochester East/West Circuits

<u>Churches with Preschool</u>	<u>Avg Atd</u>	<u>Churches without Preschool</u>	<u>Avg Atd</u>
Good Shepherd - Canandaigua	181	Concordia - Brockport	30
Hope - Greece	1014	Epiphany - Avon	49
Risen Christ - Fairport	156	St. Mark - Mendon	95
St. John's - Hamlin	145	St. Paul - Cohocton	45
St. John's - Farmington	171	Redeemer - Newark	46
Trinty - Spencerport	140		
St. Paul - Hilton	265		
Faith - Penfield	400		

- **It is obviously not completely causal i.e. preschool ≠ healthy all the time or not everything is rosy on the left list**
- **But, what it does take is a commitment to mission which is being faithful**
- **Faithful churches tend to be strong churches**



A Brass Tacks View of Expenses

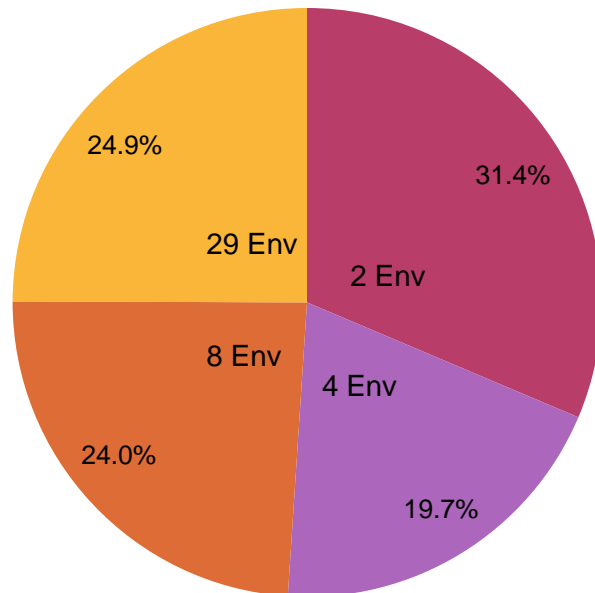
Pastor	
Salary	\$ 38,069
Housing	\$ 12,000
FICA	\$ 3,830
Car	\$ 1,200
Health Ins	\$ 18,812
Retirement	\$ 5,902
<i>Subtotal</i>	\$ 79,813
Teacher	
Salary	\$ 30,000
FICA	\$ 2,310
Medical	\$ 7,672
Retirement	\$ 3,286
<i>Subtotal</i>	\$ 43,268
Organist	\$ 8,263
Secretary	\$ 13,351
Custodian	\$ 1,400
FICA	\$ 1,772
Disability/WC	\$ 1,770
<i>Subtotal</i>	\$ 26,556
Total Payroll	\$ 149,637

- **Do we spend on things other than people?**
 - Yes, about \$26,000 primarily utilities and snow removal
- **Is there stuff we can cut there?**
 - How well do you negotiate your RG&E bill?
 - More seriously, maybe some, but not a whole lot



Income – the other side of the coin

% of Offering - Mid-Year 2011



Operating Fund Offerings

2009 \$	130,858
2010 \$	126,368
2011 - Proj \$	127,000

- **We seem to be in a certain “comfortable” range in offering**
- **Even though attendance has increased in that time**



Income – the other side of the coin

Projected Typical Year Expenses	\$ 175,000
Steady State Offerings	\$ 127,000
Preschool Recovery to 2009/2010 enrollment	\$ 22,000
Gap	\$ (26,000)

■ Options

- 13 additional Beef on Weck size fundraisers
- Spend the rainy-day fund (i.e. the savings)
- Serious consideration of tithing, proportional giving or increased offerings



Bottom Line

- **Does the vision we set out on still apply? Is that still the church we wish to become?**
- **A church that looks like that requires a commitment to mission – “engaged in the great commission”**
- **A commitment to mission takes a certain level of funding and spiritual maturity in financial support of that mission**
- **Are we going to be that church?**



Stewardship

