FAQs from Discernment Small Group Conversations

STC Staffing

Q: "What do you mean – Rev Toby can't stay?!?"

A: Yes, it is true. Curates are appointed for three years, after which time they are *required* to move on to a new congregation. Toby's curacy is a mutual blessing – he learns and prepares for the priesthood under the guidance of Anne and within our unique congregational setting; Rev Anne receives additional help with daily operations and pastoral duties; and in sharing his journey with the congregation, Toby gives us an opportunity to grow in faith together.

Q: "What is a curacy? How is this different from a staff position?"

A: Curacies are an opportunity for newly ordained priests to learn through mentorship what is needed to lead a congregation. In St. Clare's case, the mentor is Rev Anne. In exchange, St. Clare's receives additional capacity for serving the congregants in a variety of ways.

Curates are appointed for three years. After that time has passed, the curate must move on to a position in a new congregation. STC can apply for another curacy, but there is no guarantee that we will be awarded a placement.

Q: "How is a curacy funded?"

A: Typically, the Diocesan curacy program pays 50% of the cost of a curate – salary and benefits. The parish pays the remaining 50% cost. In the unique case of Rev Toby, the first two years of his curacy were paid in full by Trinity Wall Street through a special program that is not likely to re-occur. Again the diocese will pay 50% of Rev. Toby's third year, and so St. Clare's will need to contribute 50% of his third year costs – which is about $50K for both salary and benefits.

Q: "How does staffing work at STC?"

A: STC has the following staff positions. Benefits are decided in accordance with diocesan guidelines.

- Rector – FT + Benefits
- Parish Administrator – ⅝ time + Benefits
- Technology and Music Director – ¾ Time + Benefits
- Children and Youth Program Director – hourly (17 hours/week), no benefits
- Children's Ministry Assistants – hourly, no benefits
- Curate – FT + Benefits: Trinity Wall Street endowment paid 100% during first two years (July 2024-June 2026); Diocese pays 50% for 3rd year (July 2026-June 2027)

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Genesis Partnership and Financials

Q: "How is the Genesis partnership funded?"

A: Genesis is funded by:

1. predetermined contributions from both congregations (STC and TBE) for capital expenses (called the "BSRP" – see below); currently these costs are shared 50%/50% by both congregations.
2. annual contributions from both congregations (STC and TBE) to cover operating costs – this number is determined by the Genesis board on a yearly basis and approved by the boards of both congregations. (Currently many of these costs are based on percentage of building usage and shared 70% - TBE and 30% - St. Clares, although other operating costs are shared 50/50.)
3. special assessments to both congregations (for example, the new fire suppression system was funded by a special assessment)
4. occasional grants and foundation/individual gifts
5. long-term rentals (such as Ann Arbor Children's House and Blue Ocean Church)
6. short-term rentals (such as weddings or 12-step meetings)

Q: "What is the BSRP and how is it used?"

A: "BSRP" stands for the "Building Systems Replacement Plan" and it is designed to cover capital expenses relating to building operations. As a general rule, a capital expense means a physical item with an anticipated life-span of over 7 years and a cost in excess of $500. By collecting a set amount from each congregation each year, the board is better able to plan for the upkeep of the buildings. It is currently $25K per congregation per year, but an increase is imminent, ranging from $38K -$100K.

Q: "Why is the BSRP set to increase?"

A: For years, the capital improvements for the buildings and grounds have been underfunded. This has resulted in delays in scheduled equipment replacements and/or emergency calls for a Special Assessment levied by the Genesis board to upgrade critical infrastructure (e.g. the fire suppression system). Raising the BSRP will allow for more cost-efficient upgrades and improved planning for Genesis, STC, and TBE.

Q: "Who decides how much the BSRP will increase?"

A: The three boards (STC, TBE, Genesis) **are in the process of determining the amount of increase.** They are currently analyzing three proposed plans put forward by the Building Reserve Plan Committee. The plans range from $38K - $100K per congregation annually.

Q: "Who decides where the BSRP funds should be spent?"

A: The Genesis Board approves expenditures. The Building Committee makes recommendations and feedback from the two congregations may be a consideration. Recently the three boards have begun meeting together more frequently.

FAQs from Discernment Small Group Conversations

STC vs TBE funding models for Genesis

Q: "How does St. Clare's pay for its portion of the Genesis costs?"

A: St. Clare's pays its Genesis costs in the following ways:

- **Operating costs –** such as Genesis staff, building supplies, utilities – are paid out of the STC operating budget which is primarily funded through annual pledges from the congregation.
- **The BSRP annual fee –** see description above - also comes out of the STC operating budget.
- **Special Assessments –** when needed, these costs are paid out of the operating budget, reserve funds, and/or the Ark Fund (see FAQs about STC endowment funds) either as a direct payment or as a short-term loan

Q: "Why does STC pay 30% of operating costs, but 50% of capital expenses?"

A: Following is the rationale for how Genesis costs are appropriated:

- **STC pays 30% of some operating costs, and 50% of others -** A recent analysis of building use showed that STC uses the building 30% of any given year, whereas TBE uses the building 70% of any given year. TBE's higher level of use means they use significantly higher amounts of staffing, supplies, and utility resources. TBE's membership is over 500, whereas STC is at around 120, so the use disparity makes sense. This percentage will be reassessed annually going forward.
- **STC pays 50% of capital expenses –** STC and TBE are equal partners in the ownership of the buildings and property. STC has paid 50% of capital expenses (BSRP and Special Assessment costs) since the founding of the partnership in 1974.

Q: Why aren't TBE and St. Clare's partnering on a capital campaign?

A: TBE leadership informed us early in our conversations about the building needs that they will not be partnering on any potential capital campaign or fundraising effort. TBE and St. Clare's will continue to collaborate on maintaining our building and grounds as we have together for 50 years.

FAQs from Discernment Small Group Conversations

Capital Campaigns

Q: “Isn’t a capital campaign only for capital expenses?”

A: The name certainly implies that the funds raised should be used only for capital expenses. However, it is common practice for additional, *specific* expenses to be included in a capital campaign. For example, funding for a staff position (e.g. “up to $300,000 toward an assistant rector or curate”), or for a specific outreach initiative (e.g. “5% of all funds raised supports the Back Door Food Pantry”).

If St. Clare’s vestry decides to undertake a feasibility study, this phase will help determine what, specifically, should be funded. As part of this phase, a survey will be sent to all congregants – please take time to share your thoughts and opinions via this survey.

Q: “How does Genesis define capital improvements?”

A: Capital improvements are defined as items/expenses needed to acquire, upgrade, or maintain long-term physical assets. A general rule of thumb is physical assets in the building with an anticipated lifespan of at least seven years and a base cost of at least $500.

FAQs from Discernment Small Group Conversations

St. Clare's Endowment Funds

Q: "Why so many endowment funds?"

A: Over the years, endowment funds have been established to generate long-term financial resources for STC. Each fund has a unique, specific purpose.

Let's take a look at the various endowment funds and their purpose:

> **The Ark Fund –**this endowment fund is for **capital expenses** only. Each year, an amount of up to 5% of the principal may be withdrawn and applied toward capital expenses. The Ark Fund acts as a capital reserve fund of sorts because a significantly larger portion of the principal funds may be withdrawn if approved by a special vote of the Vestry and the Endowment Board.
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> **The Assisi Fund –** this endowment fund is for **general operating expenses** only. Each year, an amount of up to 5% of the principal may be withdrawn and applied toward general operating expenses.
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> **The Inez Wisdom Fund –** this endowment fund is for gifts brought into St. Clare's that are in support of and **enhance the mission of the church** beyond what can be accomplished by the annual operating budget. Each year, an amount of up to 5% of the principal may be withdrawn and applied toward approved expenses as determined by a donor, the Vestry, and/or the Endowment Board.
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> **To learn more about the structure of each fund, please refer to this Fact Sheet or reach out to an Endowment Board member.**

Q: "Why is the Ark Fund mentioned in the capital campaign brochure?"

A: The Ark Fund is an endowment fund established for capital expenses. It is a tool that could be used to build up capital reserves that can be applied to St. Clare's portion of the annual Genesis BSRP contribution required of both congregations.

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Q: I want to learn more! Where can I go?

A: www.saintclareschurch.org/discernment has many fact sheets about all of this information and more!