

## **Report of the Ad-Hoc Committee Formed on February 26, 2016 to the Congregation of St. Andrew's Presbyterian Church, Kitchener**

### **Preamble**

In all that we do we yearn to bring more people into a relationship with Jesus Christ, to teach new generations to live in the light of Christ's love, to engage in mission in response to the love of Christ and to praise Christ in vibrant worship.

Our primary challenge is not to raise more money but to bring more people in to the Kingdom of Christ.

Any financial plans, as important as they are, are secondary to the long-term goal of building the Kingdom of God.

### **Executive Summary**

The Ad Hoc committee members believe that St. Andrew's will continue to be a vibrant congregation long into the future. The Committee believes that the growth and expansion of St. Andrew's requires Session and the Congregation to clearly state a long-term vision for St. Andrew's and develop long term plans to support that vision.

In order to create the greatest potential to consider future opportunities and challenges the committee recognizes the need to be diligent in examining all resources at our disposal. These include an objective line by line examination of our annual operation budget for efficiencies and opportunities. Additionally, an examination of our trust funds, the parameters on these funds and the ability to access them for future endeavors is also necessary.

The future long term sustainability of the church requires the participation and input from all sectors of current members, adherents and potential groups within the community. The committee benefitted from the candor and leadership of many sectors within our congregation. Lisa Koenig and Mike Wasyluk provided valuable insight to programming for youth and young adults. Clearly there is a need to reach out to families with young children as a major component of any strategy going forward.

The identification of both financial and strategic opportunities and the implementation of these recommendations are key to the future expansion of St. Andrew's.

### **Overview**

At the 2017 AGM, a motion was passed to form an Ad Hoc Committee to explore, develop and present to the congregation, strategies to deal with the impending depletion of Trust Funds available to supplement the Operating Expenses of the congregation and to report to Session by September 30, 2017.

Committee Membership:

Tim Rickert (Church Treasurer), Eric Brox (Finance Committee), Steve Krupicz (Trustee rep), Stephen Eadie (Property Committee rep), Bev Middlemass and Pauline Rennie-Tomlinson (HR reps), Karen Redman (Session rep), Rob Evans, Lisa Koenig, Mike Wasyluk, Carol Alguire,

Paul Rea, Steve Finch, Rev. Greg Smith (Ex-officio) Rev. Dr. Mark Lewis (ex-officio, three meetings), Catherine Hertel Pro-tem Moderator (two meetings)

The Ad Hoc Committee quickly agreed that evaluating the merits of various suggestions required an understanding of the long-term vision and strategy of St. Andrew's. At the Session meeting held on May 29, 2017, Lisa Koenig returned to Session seeking clarification of the nature of the mandate of the committee. Session reiterated that the primary focus of the Ad Hoc Committee was the depletion of Trust Funds and not the long-term vision of the Church. The committee agreed to table a report for the September meeting of Session.

Over several months the committee met seeking input from its members for ideas to form a strategy for the sustainability and financial health of St. Andrew's. There will be a recommendation for two plans: a) immediate implementation of short term initiatives to curtail the use of Trust Funds for operating costs and, b) long-term sustainability plan with the vision to ensure a vibrant future. There is an immediate need for the short term initiative to be completed by the end of 2018. To this end, Appendix A is attached containing the short term recommendations of the committee along with financial modelling to illustrate the thinking of the committee.

The consensus of the Committee is that the long term sustainability of St. Andrew's rests entirely on the grace of God through our 161 Year History as a vibrant community and must be propelled by a vision for our shared future that provides increased limitless opportunities for mission and outreach.

The long term strategies should involve Session and the entire Congregation. Appendix A attached contains the recommendations for consideration as part of a longer term strategy with some suggestions for the sub committees that might explore these options. Additionally attached for the consideration by Session is a possible roadmap for developing the long term strategy, as Appendix B.

The Committee emphasizes that the success of each plan is dependent on the success of the other.

While it is not the mandate of this Committee to implement these strategies, it is our hope that the Committee short term recommendations will enable St. Andrew's congregation to move forward in exploring our future from a position of strength to embrace opportunities.

### **Short Term Strategies**

Successive generations of members of St. Andrew's have provided a solid foundation of faith in action and a financial base that have enabled our church to be a vibrant presence in our community, nationally and internationally through missions. It is the committee's recommendation that during the next two years, while the congregation considers the long term strategies, the goal should be to reach a balanced operating budget. This will allow the congregation to consider all possible strategies for investment in new ideas that have the potential to ensure the long term sustainability of St. Andrew's. This strategy will curtail the recent dependence on yearly withdrawals from the Trust funds to cover operating expenses. While the budget presented to the congregation projects a small surplus, this is predicated on the

use of non-designated Trust funds. The Committee is recommending that Trust Funds continue to be used to cover capital expenditures as necessary.

The Committee is convinced that due diligence has occurred in constructing the annual budget. However, the committee is recommending a fresh set of eyes may find potential economies and efficiencies in the exercise of going through the budget line by line.

Based on the average operating shortfall funded by non-designated trust funds for the past two years and the projected amount in the 2017 budget for St. Andrew's, this goal would require approximately \$110,000 to be found in additional revenue and savings

This initiative also provides credibility as the congregation contemplates where to invest in ways that amplify our mission.

The Committee is excited by the opportunities that were discussed on ways to expand our community outreach. This will enable us to share our faith journey of worship and service with an expanded group of people.

St. Andrew's TV ministry is an abiding outreach that enables our message into the homes of thousands of people. The Committee recommends that exploration of the impact of this ministry has the potential to increase revenue and expanded opportunities for ministry.

Through the efforts of the Women's Association, the kitchen at St. Andrew's has been recently updated. The kitchen is Health Department inspected and approved. The Committee recommends that the church, in consultation with the Women's Association, explore possible revenue sources by renting out our kitchen to community groups or individuals who would require this type of facility.

During the committee discussions, it became evident that not all members necessarily know what services and mission projects are being conducted at St. Andrew's. The committee recommends that St. Andrew's should market our church to our members in a more intentional way.

Additionally, it is significant to note that there are 100 elders and approximately 600 identified givers who support St. Andrew's. For example, if only 200 givers increased their contributions by \$10.00 per week, (two or three coffees per week, depending upon your preference) this would result in \$100,000 of additional revenue.

There are other short term strategies outlined in Appendix A and the Committee feels there would be value in exploring these or similar strategies.

### **Long Term Strategies**

Developing a long-term vision for sustainability will provide direction for St. Andrew's as we move forward. Rev. Greg Smith has mapped a process for long term sustainability which is outlined on Appendix B. The Committee identified some possible resources to inform this exercise such as obtaining the services of a sociologist expert to survey our background, neighbourhood demographics and other useful data. It was also acknowledged that the three

seminaries associated with UW and Waterloo Lutheran Seminary would be a rich resource of more general, church based research.

In addition to the process there are items in Appendix A under long-term strategies that the Committee feels are worth consideration as part of this visioning process.

### **Strike List**

Several suggestions that the Committee considered were deemed by the Committee to be outside out mandate or to lack sufficient merit to consider or recommend. For completeness, these suggestions are included in this report under the Strike List in Appendix A.

### **Appendix A**

#### **Short Term List: strategies for immediate consideration/implementation**

1. Explore a program of increased givings. The stewardship efforts of our ministers have succeeded admirably over the past 12 years. In spite of declining membership, the givings to the church have increased quite significantly over this period. As noted in the example provided in the body of this report, a relatively minor increase in givings could curtail the use of trust funds to cover operating expenses. This initiative is intended to increase givings to a level that would close the gap between operational expenses and giving in a manner that does not contradict the tone and methods of the stewardship efforts that have proven to be so successful.
2. Go through every single budget line to identify places to economize in order to become more efficient in our operating budget and save money without reducing mission/services.
3. Community tutoring: Develop a program to provide tutoring to elementary and high-school students on evenings or weekends using the meeting rooms of St. Andrews. This program could seek qualified volunteers from among the congregation to tutor students on a voluntary basis. This could be a free service that through this outreach ought to promote St. Andrews and our missions to potential new members. Alternatively, it could be a low-cost program to raise some additional revenues to defray any costs of this program and/or add some modest revenue to the annual budget.
4. Explore the impact of TV ministry with a view to increase the financial support from the television audience and the congregation for this ministry. An average of 10,000 viewers generally tune in for at least part of each broadcast service. This is an important component of our ministry and community outreach. The general givings from this audience falls short of the costs of running this broadcast ministry. that some of the congregation may increase their financial support of the TV ministry. There must be compatible and effective ways to encourage viewer donations to grow this ministry and become self-defraying. I believe that some plan should be in place for additional funding for this ministry from both congregation and viewers. Without changing the nature of our services or the direct communication to this audience, we could seek to highlight the extent and success of this ministry to those who watch these broadcasts and to our congregation. For example, a review of our Annual Report only identifies the budgetary shortfall of this broadcast ministry (i.e. givings are less than costs) without highlighting the significant reach of these broadcasts. Highlighting the success of this ministry may encourage some of the congregation to increase their givings in support of this important ministry. (see also #4 below)

5. Marketing our missions and successes better. In spite of the significant efforts of numerous individuals and groups to promote St. Andrew's on social media and through print publications, the membership of the Ad Hoc Committee was not aware of the full extent of the various missions and outreach undertaken by St. Andrew's (for example, the extent of our broadcast ministry). Highlighting the extent and success of these missions to our congregation may encourage some of those congregational members to increase givings in support of these successes. Highlighting the extent and success of these missions to our broadcast audience may increase givings from our television audience.
6. Consideration of ways and means for increased revenue from increased or new usages of church building and property. One excellent way to do this is to rent out the kitchen: Through the efforts of the Women's Association the kitchen at St. Andrew's has seen significant improvements. The facility has been inspected and approved by the Health Department. Community groups or small businesses (e.g. someone starting a business teaching cooking classes) may be interested in renting this facility for their activities or businesses. Allowing such groups or individuals to rent the kitchen could increase operating revenues for the church.

**Long Term: strategies that will require more consideration and research before possible implementation**

1. Develop a long term vision for sustainability
2. Drop-in for outreach to community members
3. Explore what the church means and define what we want to be going forward
4. Develop strategic marketing strategies
5. Develop services with alternate forms of worship
6. Church hosts a daycare
7. Find out who is our target market
8. Obtain the services of a sociologist expert to survey our background, neighbourhood demographics and other useful data
9. Use UW's three seminaries to do church based research
10. Leverage information from Waterloo Lutheran Seminary
11. Develop professional spaces to be rented to the public (the stage was suggested)
12. Build a seniors residence
13. Encourage more bequests
14. Build a building that would generate revenue
15. Put on revenue generating events
16. Explore access to restricted funds
17. Take money and volunteers and find community partnerships to serve our community
18. Examine the physical resources (buildings and property) of St. Andrew's on a holistic basis to identify challenges and opportunities.

**Strike List (deemed by the committee to lack sufficient merit for further consideration)**

1. Cut out some mission work/programming (to adapt to attendance)
2. Vet out members list/look at the Roll/Ask people to be removed who don't attend anymore/stop sending money to the national church based on people we don't have
3. Use the directory to help guide in identifying active members/attendees
4. Have active members call inactive members and ask why they aren't attending

5. Stand by the road and hand out water/cheer during marathons
6. Charge for events that are already happening here (weddings, funerals)
7. Ask other groups to donate money to the church to cover costs (Beavers, AA)
8. Buy a church bus/van
9. Develop a cab/uber fund
10. Naming rights for rooms or areas in the church
11. Bring in food trucks
12. Volunteer to be a safe injection site (and other ideas that lead to revenue from the Region)
13. Do something about parking (charge more being done) (build a parking garage)
14. Host other churches lacking a building
15. Charge more for Solo house (currently under review)

## **Appendix B**

### A Draft Road Map for Developing Long Term Strategies of Sustainability

The Ad Hoc Committee was tasked with addressing the continued need to rely on our non-restricted funds to cover operational deficits.

The Committee worked together to identify workable ideas to address this issue in the short term. ( *Appendix A: Short term list* ) Subject to the direction of the Session, many of these ideas might be implementable within the next budgetary year and may begin to address our annual operational deficits in a substantial way.

At the same time, the Committee recognized that our annual deficits are linked to the long-term sustainability of our congregation. The present need for reliance on our non-restricted funds may, in part, be attributed to the natural financial ebb and flow that occurs in the life of any congregation. This is not the first time that we have dealt with operational deficits.

However, given the general demographic, cultural and societal trends that churches will be facing in the next decades, as well as the current decline in general church attendance and involvement, it was clear to the Committee that our church needs to take a proactive approach that will position the congregation to meet these challenges. Developing a long term vision for sustainability will provide direction for St. Andrew's as we move forward.

In addition to the list of short term ideas ( *Appendix A: Short term list* ), the Committee developed a list of ideas suitable to address our long term sustainability for the consideration of the Session ( *Appendix A: Long term list* ). Other ideas may emerge from the Session or from the congregation in the coming months.

However, the Committee is strongly committed to the idea that, before launching into long term strategies for sustainability, we need greater clarity about our vision for the future and, therefore, a process of congregational visioning is necessary.

This process needs to involve the members of the congregation and our worshipping community. In the end, it should provide us with a template by which we may weigh and

consider practical strategies for the future. As we then look at ideas and plans to address our long term sustainability, we will have a guide to help us answer such questions as: Does this (idea) fit with who we are? Is it moving in the direction in which we think God may be leading us? Is it consistent with our shared understanding of our community and our purpose?

Such a template will provide a common starting point and will help to prevent us from starting off in directions which may not be suitable to our congregational culture, which may be inconsistent with our understanding of God's plans for St. Andrew's, or which may end up alienating segments of our congregation.

A good visioning process will give us a general guideline for our future that shows consistency with who we have been, who we are right now, and which, at the same time, will challenge us to be open and willing to move into the future in a way that is right for us. Such a process can be targeted and direct to its purpose.

**The Committee would suggest a one year process of visioning, under the direction of the ministers, to begin in the Fall of 2017.**

**This will involve three facilitated congregational meetings. These meetings will communicate the current realities facing the church, orient participants to the challenges of the future, engage participants in a process of congregational visioning and produce an outline of our shared vision for the future which can be used as a guideline for long term planning.**

**The end goal will be to have a framework within which we can begin to move forward, exploring and/or initializing ideas and strategies for our long term sustainability by Spring, 2018.**

**For Reference, Here is the Original Motion to the February 26, 2017 Annual General Meeting of St. Andrew's Presbyterian Church, Kitchener**

**MOTION**

In view of the impending depletion of Trust Funds available to supplement the Operating Expenses of the congregation, I would move, seconded by Ken Cressman, that an Ad Hoc Committee be formed to explore, develop and present strategies to deal with the continuing deficit in the Operating Budget of St. Andrew's

And

That such a committee be made up of a representative from Session, a representative from the Finance Committee, a representative from the Property Committee, a representative from the Trustees, a representative from the Human Resources Committee, a representative from the Congregation-at-large and Ministry Staff members, The Rev. Dr. Mark Lewis and The Rev. Greg Smith, ex officio,

And

That said Committee be given power to issue to add any other members as it may deem necessary

And

That Catherine Hertel be the committee convener, Pro Tem, calling the first meeting at which time a permanent convener will be selected

And

That the Committee report their findings and recommendations to the congregation no later than September 30, 2017.