

BLACKWOOD UNITING CHURCH: FUTURE DIRECTIONS AND FINANCES

Discussion paper for Blackwood Uniting Meeting of the Congregation August 3, 2014

Blackwood Uniting Church is called by God to be an inclusive Christian Community committed to justice, learning, service and care.

1. **BACKGROUND**

It is time for a new way of thinking and being 'Church'. Once the centre of family and society, church is now on the margins, being asked to justify its purpose and existence. Our purpose to be a 'faith community' of God, and our mission, to serve God's world remain.

→ **But the question becomes - How? How best in this time and place?**

→ **'And what will that faith community in Blackwood look like in the future?'**

Furthermore, Church Council has considered our predicted financial future for Blackwood Uniting Church (BUC). Looking at income and expenditure projections on current trends anticipates that we will have a deficit budget every year until BUC uses up its entire financial reserves in 2018. We are fortunate to have an 'untied' bequest to enable us to meet current deficit and not have to make instant cuts in staffing or programmes.

Background: Key \$ values from 2014 Budget - simplified and \$ rounded

	Income	Expenditure
Offerings	\$163,000	-
Ministers (1.5 FTE)	-	\$134,000
Community Program	\$55,000	\$60,000
Property & Office	\$30,000	\$59,000
Other Programs	\$5,000	\$6,000
Distant Mission	\$5,000	\$5,000
SA & Local Mission	-	\$19,000
Total	\$258,000	\$283,000

* Note: Ministers' Time is spread across a range of these and other activities.

With deficit budgets predicted every future year, doing nothing different is not an option. At the Congregational meeting on 25 May 2014 small groups were asked to record their ideas to the question "***How can we respond to the tightening financial situation at BUC?***"

Ideas from that meeting by the Congregation members and feedback on those ideas are listed in an attachment to this report. You are invited to review this section and raise any queries with Phil Megaw or the ministers before the Congregation Meeting, as we will not have time at the meeting to discuss all the ideas.

In making decisions about our future financial commitments now we need to not just consider financial issues but take the opportunity to look at the big picture and where we want to be in future-

- **Do we want just more of the same or do we need new directions?**
- **Given that our financial problems are not going to resolve without some action, it is suggested that the status quo is not an option.**
- **This re-examination is very challenging for us all but we must do it and do so in a way where all options are on the table and we show respect for everyone's viewpoint in an open and honest way (*Be a 'Safe Place'*).**

2. THE KEY QUESTIONS

HOW WILL WE EXPRESS OUR CHRISTIAN COMMUNITY IN WORSHIP AND SERVICE INTO THE FUTURE? WHAT DO WE WANT BLACKWOOD UNITING TO BE IN FIVE YEARS FROM NOW, AND TEN YEARS FROM NOW?

- This can only be answered according to our **Ministry Purposes**.
- Our faith invites us to see that the answers will be RELATIONAL, in acceptance of people's beliefs and spirituality in worship, in pastoral care, and in our small group's activity, that is our life as a community of God's people.
 - It could well be that BUC has been so (commendably) outer-focused (service to others) that we have neglected or taken for granted the quality of our inner life of worship and care. Our ministry and mission are not only what we DO as community of faith, but also who we ARE.

3. QUESTIONS for the COMMUNITY

God's activity in the world will have continuing expression.

This gives us a purpose and sets us on the future path to serving God's purpose.

- What programs and activities are important to maintain BUC as a community? Do they include: Worship? Pastoral care? Community activity – both internally and externally? And what relative importance do we place on each?
What are the staffing implications of the ministry and mission we seek to maintain and to lead future opportunities? This is a call to a re-focused 'Mission-based' budgeting.

All of our shared programs and activities can be categorised, by priority, into one of three categories

1. Key to our mission and purpose and therefore financed out of our Budget [and how do we make this mission 'fresh' and purposeful?]
2. If to be continued, can it be self-funding or otherwise resourced?
3. What programs and activities, which are less important to our future purpose, and we can/should 'let go of'?

AND what new initiatives /experiments are we called to attempt? Are there particular community needs that we could be directing more of our efforts towards [e.g. stress management, young mothers, home budgeting, mental health, etc.]

3- CONCLUSIONS

There are many things that we take for granted as a church, e.g. worship, pastoral care, meetings and involvement in the wider church. While these are at the core of being church, what we do and how we do them, takes up the time, resources and energy of both volunteers and ministers (*and minister's time costs BUC money*). So, beyond finances, we need to be clear that we also talking about the fundamental question of how we are Church.

Raising the questions - Is our current model sustainable? What are our alternatives? With a predicted average budget deficit for each of the next 5 years of \$30,000 per year, **we need changes that are going to give us a \$30,000 per year difference**. Small changes are not going to make major differences.

The Finance & Stewardship Committee notes that all areas should continue to be reviewed, but the major key financial alternatives are:

- **Securing a major boost to offering income**
- **Securing a major boost via innovative fundraising or other income sources**
- **Reducing our largest single cost element by reducing ordained ministers' time**

We recommend that by the end of 2014 the Congregation needs to have an action plan and by late 2015 these changes need to be implemented.

Appendix- 25th May Congregational Meeting Response

At the Congregational meeting on 25 May 2014 small groups were asked to record their ideas to the question “**How can we respond to the tightening financial situation at BUC?**”

Ideas from that meeting by the Congregation members are listed as the main dot points below. Then some “Facts” and comments by the Finance Committee and other relevant committees are given as the indented dot points.

Offering Income

Fact: *This is currently at a level of about \$163,000.*

Congregation comment: Increased giving by current members.

Response:

- Some increase can be achieved this way if the congregation members (a) have a vision for what can be achieved; and (b) recognise the reality of the costs of running a church like BUC.
- Increased giving is difficult in a congregation with a significant and increasing number of retirees.
- A regular challenge to review where our personal financial priorities lie can be a good thing.
- Using the eGive electronic giving process makes it easy for members and greatly assists the BUC finance group with confidence about the regular ongoing income.
- Converting loose plate givers to eGive or envelope givers is likely to lead to an overall increase, but overall a small value.
- The future income level is always challenged by members moving away for employment or lifestyle choices, for those changing from a regular income into a lower retirement income and from those passing away or moving away to retirement homes and nursing homes.

Congregation comment: Regular giving by new members.

Response:

- Introducing new members to the benefits for BUC and the broader community of regular giving is important. This needs to be done sensitively and with respect.
- A regular giving commitment may be a difficult concept for those in the younger generations to adopt. Their looking ahead time frame and employment time frame may be quite short.

Congregation comment: Look at ways of involving members of various groups or outsiders in contributing to BUC finances.

Response:

- Broadening the financial base will always assist, but how do we involve and convince non worshipping members to significantly contribute to the running costs of BUC? Younger generation people do not like long term commitments.

Property Matters

Fact:. *In 2014 Utility costs (electricity, telephone, water/sewerage, insurance etc) cost about \$16,000. Property maintenance and minor capital works are about \$10,000 (but have been limited to these levels due to budget restraints). Cleaning costs are about \$13,000. Thus a total of \$39,000.*

Fact: *The Garage Sale has traditionally been held every second year and after costs earns about \$10,000 (already built into our forward budget and the income is dedicated to property maintenance), but the extensive work needed, an ageing group of volunteers and Occupational Health and Safety issues may limit the future extent of the traditional event.*

Congregation comment: Install a Solar Panel system to reduce electricity costs in the long term.

Response:

- After detailed research re the costs and benefits, the congregation gave approval in May 2014 for this unbudgeted project.
- Targeted project donations were requested for BUC members to 'purchase' a Solar Panel. This has been very successful and the project cost has been covered.

Congregation comment: Are there other ways to reduce electricity costs?

Response:

- Property Committee has reviewed our electricity usage pattern and considered efficiencies of heating and cooling systems, lighting and other appliances.
- Any Plans?eg consider movement and timer controls to limit duration of energy consumption.

Congregation comment: Compare hiring charges with other centres.

Response:

- Every year the Property Committee reviews the hiring charges, increases them (usually by about CPI%) and sets a range of fees depending on the category of user.

Congregation comment: Increase hiring of building & use of building by others.

Response:

- The buildings are already extensively used.
- No active advertising.

Congregation comment: Reduce cleaning costs? - clean it ourselves with volunteers?

Response:

- It is a major task to keep the facilities clean throughout the week.
- Many hours are required and cleaning by volunteers would draw from the same pool of people who already volunteer for many other tasks.

Manse (Coromandel Parade)

- *Facts: This is a shared resource (managed mostly by BUC Property Committee members) on behalf of the 4 UC congregations of Eden Hills, Belair, Upper Sturt and Blackwood. It is currently rented out commercially and is expected to provide a small income stream for the foreseeable future.*

Ordained Ministry

- *Facts: In 2014 salary and on costs of 1.5 FTE ministers is about \$134,000. This is 82% of the offering income.*

Congregation comment 1: We should increase to 2 ministers.

Congregation comment 2: Would be a shame to cut/reduce Ministers time.

Congregation comment 3: Reduce expenditure on Ministry costs?

Congregation comment 4: Reduce ministerial staff by 0.5.

Response:

- Reducing ministerial leadership would require a major review of the total picture what can be achieved by BUC.
- We already use a large contingent of volunteers to support the ministry work. What scope is there to find additional unpaid leadership from the congregation?

Office Management

- *Facts: In 2014 salary and on costs of office person is about \$14,450. Cost of office equipment and consumables is about \$6,500.*
- No comments were given at the May 25 meeting.

Response:

- Effective consistent management is essential to coordinate many activities.

Fundraising

- *Facts: Fundraising has never been a source of major income. In 2013 when a major focus was given to it, \$3,000 was raised by the main congregation compared to the total income for the 2013 year of \$283,000. In 2014 to date \$0 has been raised. The Community Program has conducted its own fundraising events.*

Congregation comment: Fundraisers - Cluster Groups to be responsible.

Response:

- Invitations to Cluster Groups to take up this challenge have been extended in the past. There has only been very limited response in recent times.

Congregation comment: Fundraising committee = events, thus community strengthening.

Congregation comment: Fundraising e.g. quiz nights, dinners, concerts, fairs.

Congregation comment: Special events rather than regular giving.

Response:

- See fact section above. These events can be very worthwhile fun and community building events, but realistically are not a substitute for other major income sources. They can be a great supplement but do require a person or group to drive each one and make it happen.

Congregation comment: Community sausage sizzle promoting specific parts of this church e.g. Messy Church, Playgroup, Mainly Music.

Congregation comment: Have more fund raisers.

Response:

- Fundraisers can be a great way of drawing in money from people not usually involved in BUC, but would require a major ongoing program to generate large sums of money.
- Inevitably already financially committed BUC members are involved and thus the same people are being asked to give multiple times.

Community Classes (Community Program)

- *Facts: This program has in recent years been financially supported by the BUC congregation. In 2014 income levels are expected to total about \$55,000 of which \$48,000 is from class enrolments and \$5,000 from the display day and workshops. Outgoings are about \$60,000, The costs of the involvement of the Outreach Minister (Cogs) are not covered by the program income.*

Congregation comment: Balance the Community Program finances.

Response:

- The Community Program committee has been looking at ways in which changes can be made e.g. Cancellation of poorly attended classes is taking place.
- Should it stand alone financially or do BUC members accept that it is an important part of our outreach that deserves significant financial support?

Congregation comment: Community Program reduction/rationalisation.

Response:

- The Community Program committee has been looking at ways in which further changes can be made.
- Could reprogram to have all classes on just one day a week.

Congregation comment: Community Program - bring in more people/students to help pay its own way - advertising insufficient at present. Advertise through Kindys and Mitcham Council newsletter etc.

Response:

- Maybe a (volunteer) public relations officer is needed.

Other Programs

Congregation comment: Messy Church, Playgroup & Mainly Music programs need to cover their own costs.

Response:

- These are fairly low cost, cost neutral programs that do not draw down on the financial base of BUC, but they do draw very heavily on our volunteer's time and personal financial generosity with some of the materials consumed even although no one is expected to pay for things out of their own pocket.

Congregation comment: Friday Night Meals program needs to cover its own costs.

Response:

- Friday Meals also draws heavily on our volunteer's time and financial generosity with donating and preparing the food consumed. It has virtually no income, volunteers provide two course meals for 15-30 people and a very large number of people are involved.

Other

Congregation comment: Promote bequests and funeral donations.

Response:

May assist in the long term, but limited benefit in the short term.

Congregation comment: How to use Percival James Thomas bequest? - not to be used on everyday expenses - congregation to decide use (eg Solar panels).

Response:

- We are already at the stage of drawing down on these funds to cover cash flow fluctuations and keep BUC running in its current form.
- Doing nothing different will consume these funds by 2018.