

# ***Creating a sustainable operating budget for the FSA community of faith: A multipoint plan***

Approved by Council on June 20, 2023;

Modified Sept. 20, 2023 by addition of point #4 re shopping card program;

Modified Jan. 11/24 by inclusion of results to date, addition of point #2 re donated securities, and various minor rewordings

## **Preamble**

FSA is in an extended period of transition on many fronts. This is being accompanied by a significant increase in our operating expenses while our primary, traditional sources of revenue remain essentially constant, leading to projected operating budget deficits of approximately \$10K (projection at end Dec. 2023) for 2023 and circa \$75K for 2024. Without some combination of revenue increase and expense reduction, budget deficits in the order of \$75-100K are anticipated beyond 2024.

There is every reason to be optimistic, hopeful, joyful, and thankful for the transformative path we are following as a church. We now have a complete leadership team that is gifted, synergistic, committed, and inspiring. We are seeing a steadily increasing number of children, youth, young adults, and middle-aged people engaging in FSA worship and activities. FSA is continuing to put its faith into action by expanding its partnerships with community-based organizations whose mandates are social services and social justice. As the New Creed says, "We are called to be the church." We need to answer that call. Of paramount importance in answering the call is creating a sustainable operating budget for FSA so that our community of faith has the physical infrastructure and human resources to carry out our mission of service and support within the United Church of Canada, within our local community, and within the FSA community itself.

## **Multipoint plan to ameliorate projected operating budget deficits for 2023 & beyond**

### **A. Duration of 2023**

1. Stewardship/giving: increase PAR participation, increase regular givings; reinvigorate ongoing campaigns (Lent, Advent); increase effort on and promotion of the fall 'pledge' drive; focus on generosity and how funds support programs & activities; expand communications on stewardship activities.

[Stewardship group]

*-implemented 'giving is easy' promotion, with emphasis on PAR*

*-re-invigorated Lent/Easter appeal*

*-re-invigorated fall pledge drive with result that pledged givings for 2024 maintained at approximately same level as 2023 despite loss of some regular contributors in the upper tier (pledged amounts do not include contributions anticipated via donated securities)*

2. Donated securities: raise awareness of and promote this method of giving

[Investment Committee, Stewardship group]

*- letters promoting and explaining benefits of this type of donation sent to a selected subset of regular givers in May & Sept. 2023*

*- results for 2023 are significant:*

- *Operations received \$40,265*
- *Proudfoot Legacy Trust Fund received \$49,155*
- *Outreach (Afghan Refugee Fund) received \$5,036*
- *1 member is switching from PAR to donating securities in 2024.*

3. Fundraising events and activities some or all of whose proceeds go directly to operating budget, with a focus on both internal & external contributions; led by a fundraising group which also has responsibility for clearing and coordinating all FSA fundraising events; for major events or resolution of conflicting proposals, input from the Executive is to be sought.

[fundraising group –formed August 2023]

- *Fundraising group formed in late Sept.; several additional members are needed*
- *several fundraising activities took place in Nov.-Dec. 2023: advent greeting cards (\$125 raised) and sale of baked goods and soup (~\$1250 raised)*
- *fundraising plan for 2024 is a work in progress*
- *one element is sale of prepared food on a periodic schedule throughout 2024 by a small team known as Festival Enterprisers (~\$450 raised so far in 2024)*
- *another element is sale of a 2025 FSA calendar in coming fall*
- *one major fundraising event is under active consideration*

4. Helping to Run the Church for a Day initiative.

[Fundraising group]

- *launched in early fall of 2023*
- *amount raised as of Dec. 31/23 is \$2,150*
- *will continue throughout 2024*

5. Increase revenue from existing shopping card program by increasing participation rate in the program and by expanding the types of cards available.

[program lead]

- *sales in 2023 were within a few % of sales in 2022, the latter year being one of 25% growth in sales*
- *sales in 2023 were close to \$190K with a profit of approx. \$9700*
- *program lead has expanded sales team and added a program administrator in order to focus on program expansion in 2024 by increasing participation rate and by increasing the types of cards available.*

6. Increase short-term & event rentals of space in main building & St. Andrew's Hall (including outdoor stage), e.g., weddings, artistic performances and rehearsals, workshops, conferences, retreats, group counselling sessions.

[Property, Planning, wedding venue group]

- *in 2023, long-term rentals reached or are very close to capacity*
- *focus now turning to short-term and event rentals*
- *will require proactive approach*
- *a project to actively market FSA as a wedding venue is a work in progress; the team is currently developing a business plan and marketing strategy to attract couples from the community.*

7. Explore sharing worship space with another congregation (wherein other congregation would rent space at FSA) .

[Property, Lead Minister]

- *there are limited opportunities; this is largely a reactive situation (versus proactive)*
- *several churches approached FSA in 2023 but wanted space for free*
- *aligned values is an important component of any decision*

8. Increase the number of rentable parking and lease these new spaces.

[Property]

- *this is on hold*

- in 2023 not all rentable spaces were leased, a drop from previous years & may be attributable to more people working from home post-Covid and/or businesses moving out of core.
- any increase in # of rentable spaces would be demand driven

9. Pursue grants that assist operating and/or capital budget, on our own or with a partner.  
 [Property, Planning, Trustees]
- three applications were made in 2023. Two were unsuccessful and one was successful – the Federal Summer Student Employment program – undertaken in partnership with Metropolitan and Siloam United Churches – lead by Marilyn Arthur (Met was the lead applicant)
  - most grant programs are project-oriented and do not fund existing operations and/or capital costs of replacing aging infrastructure or renovations

## **B. Medium-term (2024 -2025)**

10. Continue points 1-8 above.
11. Cost-savings: explore sharing resources (staff and/or services) with other United Churches.  
 [Chair & Past-Chair of Council, Lead Minister]
- this is incremental process with results eventually being achieved by building relationships with other churches and being aware of how other churches deal with various operational aspects.
  - Chair, Past-Chair and Lead Minister are convening spring and fall meetings with counterparts from downtown United Churches
  - so far several meetings have been held with each of Met, Colborne St. and Dundas St., with expansion to include Calvary, and Wesley-Knox in 2024.
  - so far no new staff or cost sharing arrangements have been achieved but possibilities have been identified
  - a direct cost saving for FSA on computer software licensing has been achieved in January 2024 because Met made us aware of a free licensing program available to non-profits
12. Cost-savings: beyond 2023, seek to reduce M&P expenses in a rational manner for non-ministerial staff complement based on integrated assessment of roles, tasks and priorities.  
 [Finance, M&P, Executive, and possibly an HR consultant]
- in 2<sup>nd</sup> half of 2023 and for at least 1<sup>st</sup> half of 2024, there are salary savings by having the Facilities Manager position vacant following resignation of the former incumbent
  - the Property Committee and other volunteers are meanwhile handling the facilities manager duties
  - this is an extended, practical needs assessment study on how to best manage the FSA physical plant
  - it is too early to predict the outcome of this study
13. Cost savings: budget reductions for committees with reduction being voluntary or set by Finance after consultation.  
 [Finance, Committees]
- for 2024, the Music Committee voluntarily reduced the component of its budget coming from the operating fund by shifting a significant amount of the pay for soloists to the Friends of Music budget
  - the savings to the operating budget is approximately \$5K
  - for 2024, all other committee budgets remained about the same as in 2023 and no mandated reductions were necessary

14. Actively explore adding a fourth United Church partner to share the cost of the Minister of Youth and Young Adult position.

*[Chair of Council, Minister, YYA Minister]*

- *Colborne St. UC is interested but currently cannot afford to partner with FSA, Met & Siloam*
- *other UCs in London will be approached to consider this in 2024*

15. Major capital projects to be funded by a capital campaign with matching contribution from the trust funds, with possible contributions from grants.

*[Property, Planning, Trustees]*

- *a well-defined process leading to a replacement of the existing, old steam heating system with a modern HVAC system was approved By Council in fall 2023 and is about to begin.*
- *anticipated cost is \$400-500K*
- *assuming a proposal is approved by Council and congregation, a capital campaign will be needed to raise the congregational portion which will presumably be matched by a trust fund contribution*

### **C. Longer-term (5-10 years)**

16. Continue those points above which are underway and bearing fruit or have been deferred.

17. Trust funds: increase unrestricted fund (whose income supports operating budget and capital project budget)

*[Trustees]*

- *\$49,155 received in donated securities in 2023*
- *\$16,523 received in cash from individuals and from estate disbursements in 2023 (amount pending)*

18. Trust funds: educate about and promote (partial) endowments for professional positions.

*[Trustees Long-term Giving Committee]*

- *in place for part-time Pastoral Care Minister position*
- *opportunities to partially endow other ministerial positions will be rare but odds improve with awareness and cultivation*

19. Develop several alternative models or scenarios for operating and maintaining FSA's physical infrastructure (main building, St. Andrew's Hall, Farquhar House, parking lot, grounds), models in which FSA is relieved of the primary cost of operating and maintaining the physical infrastructure and has access to the spaces it needs for worship, programming, events, etc. (as a renter or via some other arrangement).

*[Planning, Property, Trustees, external consultants]*

- *a working group consisting of Bonnie Adamson (member-at-large), Steve Elson (Planning), Barrie Evans (Planning), George Jolink (Property), and David Wardlaw (Executive) have been involved in two exploratory meetings and subsequent discussion with an entity called Kindred Works.*
- *Kindred Works and the United Property Resource Corporation (UPRC) are "two individual, complementary organizations united by one vision and founded by the United Church of Canada".*
- *Kindred Works (KW) acts as the UPRC's development and asset manager—developing and managing land on behalf of The United Church of Canada, our communities of faith, and ecumenical partners.*
- *KW has a systematic step-wise process for working with a church, with a set of go/no-go decision points*
- *the first tangible step in this process is for KW to produce a feasibility study on redevelopment possibilities for a given church property; there is no cost for this study and no commitment is implied for the church in having the study done*
- *once FSA has received the feasibility study, it will be vetted by Council*

- Council may have feedback that leads to a revised version of the study
- if Council then endorses continuing the process with KW, a summary of the final version of the feasibility study will be presented to the congregation for information and discussion, most likely at a town hall meeting after church
- the next step for FSA is a decision by the congregation on whether to proceed to next step in the KW process,
- at this juncture it is premature to further outline the process as it would become increasingly hypothetical

20. Develop a set of differentiated models with a 5–10-year range and use these models to create associated projected operating budgets. In developing the models, the assumptions which differentiate the models are to be clearly identified.

[Finance, Planning, Trustees, possibly external consultants]

- work on this item has not yet begun

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*Notes:*

*(a) Steering/coordination of multipoint plan is responsibility of Executive.*

*(b) Group, committee, or position proposed to be responsible for each point of the plan is provided in square brackets; these assignments are subject to adjustment based on feasibility, availability of volunteers to be part of a working group, etc.*