

**St. Paul's Congregational Meeting
Minutes
October 15th, 2023 at 12pm**

Status Update of St. Paul's United Church ~ Presentation

Present: Tammy Coughlan, Dean Jones, Adnrew Steeves, Hope Steeves, Shawn Meister, Beth Meister, Florance Barlett, Sadie Miller, Bill Paterson, Lois Paterson, Blaine Irving, Joan Crowther, Lois Walker, Patty Trail, Greg Morton, Ron Naugler, Cathy Davis, Hugh Lautard, Ann Raper, Rose-Hannah Gaskin, Carole Peacock, Harold Raper, Jane Blakely, Deborah West, Ann Krause, Debbie Allion, Marilyn Brewer, Brad Webb, Donna Chauvin, Mary Stickles, Chris Grant, Sharon Pond, Alanna Palmer, Meghan Roebuck (minute taker), Rev. Michelle Armstrong, Jane Banks, Bud Bird, Erin Webb.

1. **Welcome** ~ at 12 noon ~ Donna, Board Chair
2. **Opening Prayer** ~ Rev. Michelle
3. **Current Financial Situation and Kindred Works Update** ~ Jane Blakely - Treasurer, Alanna – Secretary of Board of Trustees, Andrew Steeves – Acting Chair of Board of Trustees
 - **Opening Remarks** ~ Alanna
 - This meeting is to bring everyone up to date and on the same page regarding our financial situation.
 - Since July, the Board, Trustees, Property, and Finance committees and other individuals have been meeting together with the guidance of clergy, to understand the challenges our congregation face and
 - Financial planning, Kindred Works possibilities, etc.
 - **Problems, issues and concerns we face** ~ Alanna
 - Societal Challenges
 - Fewer people are attending church, globally, among the mainstream Christian denominations.
 - Women aren't available as they were in past generations.
 - Fewer volunteers but just as much work.
 - Population is aging.
 - Less disposable income but more ways to donate it.
 - Closer-to-Home Challenges
 - Structure of the United Church of Canada has disconnected us from the wider national church and its missions and activities.
 - So many buildings but so few congregants: 7 congregations in the area each with 30-40 aged congregants often with no choir and no Sunday School.
 - Difficulty finding ministers in our region.
 - Post-Covid: less need for room and parking space = less revenue for churches.
 - Unique Challenges
 - Committed and dedicated volunteers often wearing so many hats and doing so much – are they at risk of burning out?
 - Magnificent aging infrastructure, a historic landmark in the city, is desperately in need of very costly repairs.
 - **Financial Update** ~ Jane

Financial Sustainability Plan adopted in 2019, Updated in September 2022

Our Goals:

- A 5-year plan
- End goal – sustainability
- Operating costs will be covered by solid core funding + predictable revenues from facility rentals.
- Mission will be enthusiastically supported by core funding + inspired fundraising.
- Our future infrastructure costs will be reserved.
- *To get there we will require fundraising + reserved funds to keep us going.

Four Pillars:

- CORE GIVINGS: Weekly offering, PAR, Gifts of securities and designated bequests
- REVENUES: rentals (parking, Housing, room rentals), Energy efficiency
- FUNDRAISING: Dinners, sales & special events, FundScrip
- CAPITAL FOUNDATION: Bequests, Donations, Insurance policies.

At the time the plan was adopted: Revenue & Expenses Over the Years

- Revenues were high but expenses were higher, leaving us in a deficit position for years.

Since the financial plan was adopted: Revenue & Expenses Over the Years

- Covid hit us and in 2021, after adopting a budget based on the previous years expense figures with minimal spending, we had a small surplus. 2022 showed a small deficit position.
- In 2023 a Narrative Budget was adopted with Revenue placed at \$303,600 and Expenses placed at \$330,464 ~ indicating a deficit of \$26,864.

What? We budgeted a deficit?

- The Narrative Budget format focuses on what we want to achieve, assigns a cost to those wishes and then looks at what we can expect to receive/earn in revenue.
- The gap is our challenge.
- Unlike other financial targets, budgeting a deficit doesn't mean we're successful when we reach it!
- We've had some fundraisers and have more planned – there is still a substantial gap to cover.

October Operating Update Summary: 2023 Operating Budget Actuals – Year to Date Update as of September

- Cash flow: pretty much on the mark with revenue budget targets to date.
- Building related expenses have been challenging – e.g., the boiler is over budget and not yet started...
- If we add in our budgeted \$26,864 deficit, to meet budget, we need to bring in \$117,087 in the rest of the year.
- This is not unusual: in 2022, the budget was \$330,759 and at the end of September we had \$106,008 left to bring in.
- BREAKING NEWS: We are very grateful to have received a bequest of \$25,000 in early October. The funds are available for the operating account. More information will be shared in due course.

So, is everything just fine?

- Revenue is budgeted at approximately the 2016 level while expenses are much higher.
 - Routine expenditures are difficult – especially for basic repairs to the building
 - The balance sheet doesn't show the human capital deficit.
 - We've cut everything, including staff.

- Our volunteer pool is small and tired.
- We are skirting the cliff that falls away to financial failure.
 - Considerable efforts will need to be made to increase revenues in all 4 sustainability categories.
 - Sustainability plan was about growing to status quo on budget and givings in the future.
 - We have to pay bills and fix things so every little thing is a crisis when we have a costly repair bill to pay

Who is going to do the work?

Questions: None

- **Capital Funds October Update** ~ Andrew
 - Saint Paul's vision of 250...
 - The Trustees manage our capital funds and investments. As part of their role, they attempt to accumulate adequate funds for "capital" upgrades and repairs to our buildings. These should be system investments (roof, heating, structure, etc.) that have a larger price tag but don't have to be done frequently.
 - Because our operating budget has been reduced to basic expenses, the Trustees are more often being asked to cover the cost of both routine and deferred repairs and maintenance.
- **Budget and Repair Priority:** Schoalts Engineering Condition Assessment Report, Oct 2022
 - Repair roof of sanctuary & spire - needs to be done ASAP. Estimate of \$115,000 but there isn't a contractor to do it.
 - Replace fire escape on George Street - partly complete. Estimate \$27,500 - cost of current repair \$6,499.44
 - Repairs to masonry of sanctuary and bell tower. Estimate \$1,380,000.
 - Repair masonry & wood in attic. Estimate \$57,500.
 - Replace concrete at front entrance. Estimate \$86,250.
 - Restore windows & exterior doors. Estimate \$287,500.
 - Repair and support sanctuary floor structure. Estimate \$17,250.

We need to change the vision – but not in this building.
- **Capital Fund October Update** ~ Alanna
 - The Capital Foundation Investment Funds Statement Balance as of 31 August 2023 was \$224,033.34. This fluctuates based on investment markets.
 - Roof repair: \$150,000.
 - Fire Escape Stairs: \$8,000.
 - On September 26th, the Trustees adopted a resolution as follows: *Moved by Alanna, seconded by Lois, that Trustees notify the Board, the Fundy St. Lawrence Dawning Waters Region, and the congregation that St. Paul's Capital Fund is close to depletion with only about \$75,000 remaining after the dedication of \$150,000 for roof repairs. Thus, expenditures from the St. Paul's Capital Fund will be limited. Carried*
 - The Capital fund has \$150,000 reserved for roof repairs
 - The balance of the fund is so small that the Trustees are reserving it for capital repairs only.

Questions: None

- **Kindred Works Update** ~ Jane

Development committee members: Carole Peacock, Cathy Davis, Jane Blakely

- What is Kindred Works
 - A real estate developer founded and owned by the UCC to convert assets to affordable housing.
 - Conversations starting in 2021 led to a signing a Letter of Intent and appointing a development committee in 2023.
- Our proposed project
 - Demolish Fraser Memorial Hall and the two rental houses to build one or two apartment blocks with a mix of market and affordable housing.
 - Sanctuary remains standing.

Sequence

- We will be after Portland project in SJ – currently in cost mitigation & funding talks.

Timing

- We will not see any action on this file for ~ 5 years.
- We didn't ask whether that meant planning or digging a hole – it's too far out to address current needs.
- We are \$4.5-5 million short of funding due to CMHC program changes and Kindred can't commit until all \$\$ are in place.

Future

- even with a maximum density, flowback to congregations in minimal.

Heritage Issue

- Demolition of the sanctuary is not an option from the Kindred perspective.
- When the hall is demolished, the sanctuary building can be remediated to current functionality. Not clear that includes washrooms. *Kind of a big deal!

Take-aways

- Kindred's mission is to use UCC assets / equity to address the national need for housing.
- If we share that mission, this is still something we can & should pursue.
- No immediate action expected or required.
- We have lots of equity – asset rich.
- We are leaving our project on the table because we don't have to do anything at this time, but the long-term outlook is not really in our favour.

- **Downtown United Project Update** ~ Michelle

- The consultants and team have been meeting to finalize recommendations and final report.
 - The scope of this was increased co-operating to strengthen ministry engagement in Downtown Fredericton.
 - The final report and recommendations will be presented to the congregation after a joint service here on November 26th.
 - The recommendations of Downtown United Project do not solve the financial or building challenges we face.

- Will provide a model for engagement across congregations that could lead to increased engagement in ministry activities especially related to social justice issues.
- Conversations and breaking open of thought patterns, alternatives of ministry, energy we touched – all of which are important.
- Why are we talking about this now?
 - The reality of the short and long-term building needs raised by Trustees and their motion was a catalyst for this meeting.
 - Overall financial position and human resources situation as identified today, are not sustainable.
 - There has been an increased willingness and openness to talk about the issues we face by members of our congregation.
 - Credence consultants “many congregations wait until it is too late to address challenges.” We do not have much time before we have very limited options.
 - Problems that are named can be talked about, understood, and addressed in life-giving ways.
 - Willingness and openness to talk about things now.

Questions: None

4. Summary of Challenges & Next Steps

- We have identified tangible, concrete challenges.
- Next Steps
 - Thinking about these facts.
 - Talk among ourselves.
 - Identifying options.
- Trustee and Board will be meeting on October 17th to start preparing for the next congregational meeting.
- If you want to be involved in planning next steps, speak to the Chair of the Board or Chair of the Trustees.
- Closing from the Chair: Donna
 - Trustee, Board, Property meeting on Tuesday this week – bring comments or suggestions forward
 - Next Congregational Meeting on Sunday Nov 5th

5. Adjournment: 1:03 ~ Donna

6. Benediction ~ Rev Michelle