



Holy Cross Lutheran Church

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Congregational Update Sept 15, 2018

Now is an important moment to take stock about our life together at Holy Cross. We have found ourselves to be at a crossroads, needing to change to survive. As Brian McLaren puts it in "The Great Spiritual Migration" "*Yesterday's survival strategy is today's suicide strategy*".

We continue to have much to offer as we learn together to be Love in the World: creative and authentic teaching, community, worship, music, celebration, advocacy and more.

It was recognized in the meeting on May 27 that in our present form we are too few, our survival depends on extending our community of engagement and support, the number of people who participate weekly in what we offer; on Sunday mornings, through new mid-week programs and through our virtual community. We are about to implement the strategies to move us toward sustainability that were identified and endorsed at that time.

I begin by giving thanks for the encouraging level of participation in "Brunchtalks" over July/ August and for the preparation invested in offering them, by Pastor Dawn and by those who hosted. We welcomed some new participants. We also appreciate the offerings received over summer months, always a challenging time.

CURRENT FINANCIAL STATUS:

General Fund

| | |
|---|--------------|
| Shortfall to offerings as of Aug 31 | - \$7,508.34 |
| Expenses have been kept below budget | - \$4,356.15 |
| This, coupled with transfer from the Sabbatical Fund and some advanced giving has enabled us to maintain an overall surplus to the General Fund | \$90.41 |

Preparation continued through the summer, particularly around Program Planning and Finances.

Accessibility Fund

Our finance team recognized that awareness is ebbing around our commitments to repay the loans for our Accessibility project. We benefit from our improved building, we are able to offer new programs because of the changes made, and at the same time we are falling behind.

To date in 2018 we have received \$7,645.00 in donations to the Accessibility Fund
We are scheduled to repay \$12,500.00 to our loan-holders by the end of Dec. 2018
The Council Executive is re-negotiating the terms of these loans in the hope that our year-end payment can reflect the total amount received (ie no less than \$7,645.)

The above numbers are sobering and are consistent with what was projected when we had our wake-up call in the Spring. Thankfully we have been able to pay our bills over the summer. We go forward now in launching the new programs geared to expanding our community of support, initiatives whose success will depend on the involvement of each of us, in different ways.

NEW PROGRAMS

Two new programs: MORNING BREW (Thursday mornings) & BREWDINGS (Tuesday evenings) will begin in mid-October, increasing the number of opportunities for more people to participate in our program on a weekly basis.

At all of our programs (Adult Ed., Communion Gatherings, Morning Brew, Brewdings and through the blog) participants will be made aware that financial support for Holy Cross is needed for its programs to run. Pitches will be made and all donations over \$20 will be receipted for tax advantages.

Approximate costs of the 2 new programs will be \$5,000- \$6,000 over the course of 9 weeks. This includes materials, and marketing to a broader community, increasing our profile. Website is being updated. This figure is over and above our 2018 budget. All our programs will be evaluated in December so that appropriate plans can be made for 2019 programming and budget.

No one expects the new programs to be a “quick fix” to our financial crunch. We will need help, bridge financing or “seed money”, to get through the time it will take our base of support to broaden for sustainability.

FINANCING GROWTH

Fundraising: Events consistent with our guidelines of ethical responsibility and fostering community and are warmly welcomed. Those with ideas and energy to take the lead in pursuing them, please make yourselves known!

Grants: we are applying to the Eastern Synod for 2 (modest) grants to add program. Decisions to be announced in Nov, successful applicants will receive funds in 2019.

At our last Congregational Meeting the consensus agreement was for council to pursue the possibility of raising additional loans from members of the congregation.

New loans would be secured by the equity in our building (latest valuation 1.25 million)
New loans would be extended over an 18 month period (2018-19)

The Finance Team has considered a number of factors in determining the amount of the loans to be requested to sustain us through the growth period. It is anticipated that money would be drawn if and when needed, not necessarily all forwarded in advance.

| | | | |
|----------------|----------------------------------|---|------------------------------|
| Amount needed: | 2018 Projected shortfall: | to the General Fund Sept. to Dec. | \$12,000 |
| | New Program | | \$ 6,000 |
| | Re-Branding | our building | up to \$ <u>2,000</u> |
| | | | \$20,000 |
| | 2019 | Projection re: Possible Shortfall | up to <u>\$20,000</u> |
| | | Total for Loans for 2018/2019 (for 18 months) | up to \$40,000 |

A congregational meeting is required to consider and vote on this proposal, as these loans would encumber the building. Notice of this meeting will be given on Sunday Sept 16, providing 2 weeks notice before the meeting to be held **after worship on Sunday Sept. 30.**

If they are approved at that time and you're interested in participating in extending the loans, you are warmly invited to make yourself known to our Treasurer, Laura Lawrence or our Financial Secretary Sharon Smyth.

In summary, we are in an uncomfortable place, no question. At the same time, as I pointed out at the beginning, we know we have much to offer, including courage and a track record of defying the odds.

Again from Brian McLaren "***we have... reasons for hope... and an invitation to re-engage, to join in this epic project, this transforming quest, this great spiritual migration towards a better way of being Christian and a better way of being human.***"

Sincerely, Anne, your Council Chair

Attached: Current Financial Summary
Proposed Motion for the Sept. 30 Special Congregational Meeting

Current Financial Summary

General Fund:

| INCOME | Actual Jan-AUG | Budget Jan-AUG | VARIANCES |
|--|---------------------|---------------------|--------------------|
| Regular Sunday Offerings | \$84,566.3 | \$92,074.64 | -\$7,508.34 |
| LOV Ministries | \$370.00 | \$0.00 | \$370.00 |
| Fundraising | \$40.00 | \$0 | \$40.00 |
| Gifts | \$0.00 | \$0.00 | |
| Interest | \$0 | \$0.00 | \$0 |
| Offerings - Non-Budget Expenses | \$0.00 | \$0.00 | \$0.00 |
| Offerings - Budget Expenses | \$76.00 | \$0.00 | \$76.00 |
| Rental - Church Facility | \$920.00 | \$333.28 | \$586.72 |
| Rental - Armitage Daycare | \$8,600.00 | \$8,600.00 | \$0.00 |
| Solar Panel Income | \$5,389.43 | \$6,000.00 | -\$610.57 |
| 2017 Surplus Carried Forward | \$4,512.32 | \$4,512.32 | |
| Miscellaneous - Sabbatical Fund Transfer | \$2,333.32 | \$0.00 | |
| - Soccer Fund Trans | \$446.17 | | |
| TOTAL INCOME to AUGUST 31 2018 | \$107,253.54 | \$111,520.24 | -\$4,266.70 |
| EXPENSES | | | |
| TOTAL EXPENSES to AUGUST 31, 2018 | \$107,163.13 | \$111,519.28 | -\$4,356.15 |
| Surplus as of AUGUST 31, 2018 | \$90.41 | | |

| September Offerings to date <i>to be reconciled</i> | | | |
|--|-----------------|----------|------------------|
| Sep. 2 | 967.00 | 2,301.80 | -1,334.80 |
| Sep. 9 | 1,477.00 | 2,301.80 | -824.80 |
| September Offerings Shortfall | | | -2,159.60 |

| Offerings to the Accessibility Fund | |
|--|--------------------|
| received 2018 to date | \$7,645.00 |
| Payment due Dec. 31 2018 | \$12,500.00 |

Proposed Motion
Special Congregational Meeting
Sunday September 30, 2018

Holy Cross' Church Council is authorized to:

- 1) solicit loans from members of the congregation
- 2) negotiate terms for loans which include:
 - a. the extension of capitol up to \$40,000 in total
 - b. loans to be secured by equity in the building at 1035 Wayne Dr.
 - c. an 18 month term before repayment begins
 - d. loans to be repaid over the course of 4 years after repayment begins with the option to payout the loans at any time
- 3) Members of the Council Executive (Chair, Vice-Chair, and Treasurer) are authorized to sign on behalf of the congregation and are relieved of any of the financial liability for the loans by the congregation.

Any and all loans up to \$40,000.00 will be the responsibility of the members of Holy Cross Lutheran Church.